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ABSTRACT

This guide, which is intended for new supervisors and managers to use in an independent study setting, deals with the key points of effective management. The following topics are discussed in the individual sections: understanding what a manager is and why managers are appointed; setting objectives and achieving results; planning and controlling activities (labor cost, production, quality, inventory, and budgetary control); identifying and managing resources (financial management, fixed assets, people employed, stock, work methods, value analysis, marketing strategy, and time management); planning staffing requirements (labor force planning, recruitment and selection, staff training and appraisal, and staff development); working with people (abilities required in management, strategies for managing change, industrial relations, complaints and grievances, discipline, worker participation, decision-making and problem-solving techniques, and safety at work); communicating; and putting all the different facets of management together. (MN)

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# MANAGER

## Outlining for busy managers the key points of effective management

By
GORDON P. RABEY

CE045-395

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*Note:*
Until a suitable unisex pronoun is introduced the reader should read "he" or "she" as preferred.

*Memo:*

*Resources + Manager = Results*

# Why "Manager"?

"MANAGER" is written as a Note Book for busy managers. It outlines in simple terms some of the key points of effective management.

There are many laws of management, and keeping up with the theories of management is rather like waiting for a bus — if you miss one there'll be another one along shortly. But the manager cannot neglect the law of the situation which requires him to evaluate each set of circumstances as he finds it and to respond in the most effective way. This forces one to recognise that there is no best way, no preferred management style and no single panacea for the manager under pressure. With this in mind this Note Book offers several approaches and makes no precise recommendations, knowing that each manager will take from it that which he feels is appropriate to his own needs at that time. At the end of each chapter a page is provided for recording ideas, notes for action, etc.

But the dominant theme must be that a manager is appointed to achieve organisational goals through leadership — and for no other reason. His secondary objectives may and probably will change but the manager's responsibility for accomplishment remains constant. And the primary and key resource he has is the work force.

G.P.R.

"Manager" can also be used as a backdrop reference for management training courses, and be supplemented as appropriate by handout material specifically geared to the needs of the participants.

# Why were you Appointed?

You are a manager.

Whether you are the sole executive in a small business, or whether you have several supervisors reporting to you, your task is to achieve organisational goals through leadership.

Perhaps this sounds somewhat glib, but in essence it sums up the reason why you hold your appointment, and it is the criterion by which your effectiveness will be evaluated.

So, what does a manager do?

This needs to be looked at both in terms of his overall responsibilities and of meeting single situations. These overall responsibilities may be concerned with matters such as:

- meeting a need in the community for a particular product or service
- finding the resources necessary to meet this need: finance, buildings, plant and equipment, etc.
- staffing the organisation with competent people

In dealing with single situations the requirement is to

- identify the symptoms
- diagnose the factors which caused it
- decide how it should be dealt with
- initiate the appropriate action
- follow up to ensure that the situation has been resolved satisfactorily.

Overall, the manager has to take a broad view.

First, there must be an OBJECTIVE — what you want to achieve, the hoped for output of behaviour.

This will require a STRATEGY — outlining how you will accomplish what is required. Which will mean that you must be proficient in:

PLANNING — including BUDGETING
ORGANISING
LEADING and
CONTROLLING

which in turn requires that you are good at

COMMUNICATING

These are the ingredients for ACTION leading to RESULTS which will tell you that the desired OBJECTIVES have been achieved.

OBJECTIVE → STRATEGY { PLANNING / ORGANISING / LEADING / CONTROLLING / COMMUNICATING } → ACTION → REQUIRED RESULTS

In addition, a manager is training people continuously — whether or not this is planned or intended — for they will follow your example in many ways irrespective of any policy which may state they should act differently.

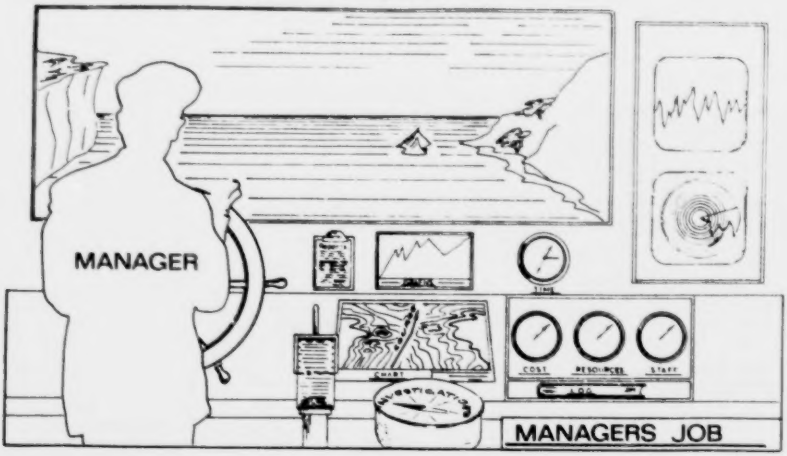
We will discuss each of these, looking at the difficulties and seeking to offer some solutions — but it would be naive not to recognise that in the reality of your job you are usually required to work at an unrelenting pace, and that your daily activities tend to be characterised by brevity, variety and discontinuity, sometimes leading to expediency action.

Nevertheless, despite the constant pressures which beset you, the primary task of your being a manager must be

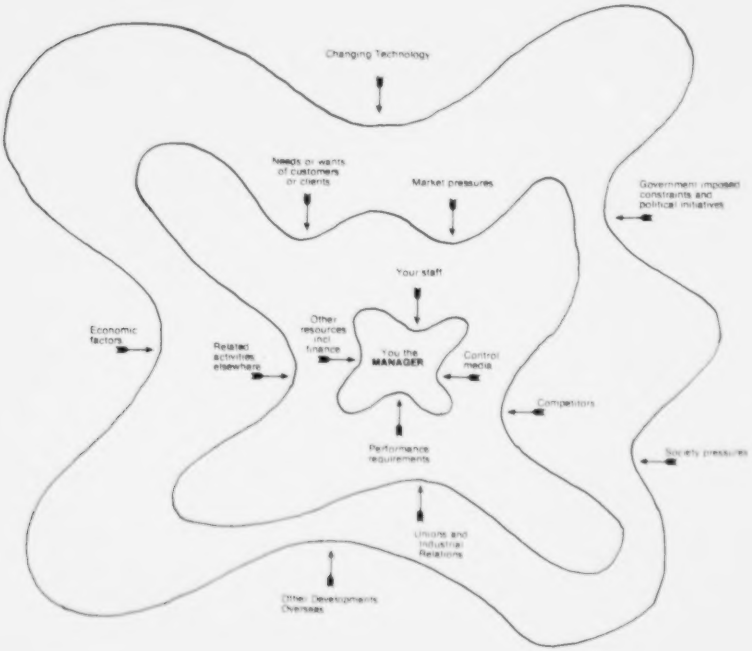
- to know what has to be done
- to decide how to do it
- to communicate it to all who will be involved
- to get people to do it, and then
- to ensure that it has been done.

But it is important to identify what the pressures on a manager are.

Ideally the role of a manager is sometimes seen as being analagous to that of a ship's captain — he knows where he is going, and through various planning and control media he receives continuous information referring to his progress:



In actuality, however, life is not like this. The manager must live, work and survive in three concurrent environments, and in each of these the changing pressures and their intensities will create their own problems:




Within the immediate area of his own organisation or of his department the manager has both responsibility and authority for action, but he ignores at his peril the changing scene of the wider environment and its impact on any or all of his present or his planned activities.

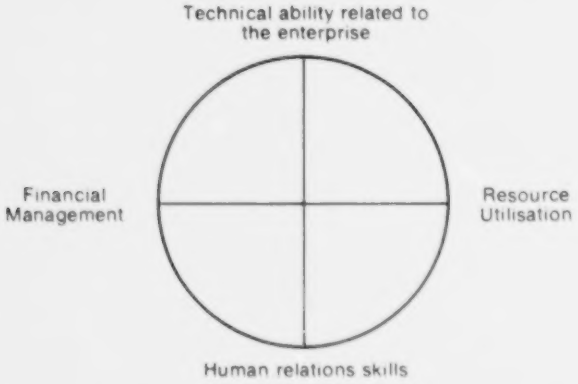
The manager holds his position because of the special contribution his work unit can make — and if someone else can do it better he may well be out of a job. This leads to two points:

- he must recognise the particular strengths of this special contribution and make every effort to ensure that they remain justifiably distinctive.

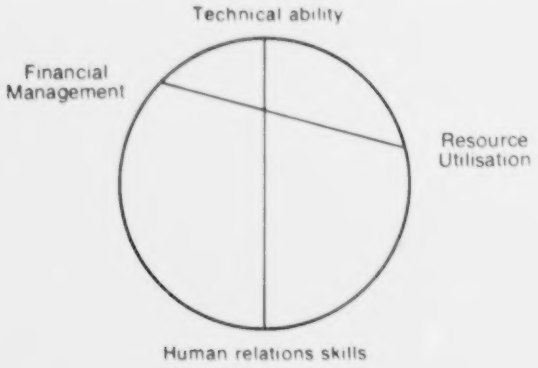
- he must be sufficiently in touch with all facets of his environment that he can anticipate change and make the necessary response to it. Organisations have failed and are failing because managers did not do this.

Management requires a balance of skills, and the preservation of this balance demands perception, skill and judgement.

For example:




Excessive attention to one of these can be only at the expense of others, causing an inbalance of managerial competence. For instance, enthusiasm for the human relations aspects, perhaps to the extent of becoming a humaniac, could be shown as:



So, what sort of person is a competent manager? Each of us must be his own person, and to attempt to compile a list of desirable qualities for every manager is to ignore not only basic differences between managers, but also the particular situation within which each must operate. Nevertheless, it is significant to note that in one large organisation in the U.K. (the Glacier Metal Company) the workers stated that they want managers who:

- can take whatever decisions are necessary regarding work and work relationships, or who if forced to say "I can't decide this but I'll get a decision for you", do so.
- are sufficiently close to the work situation to be able to direct the work of their subordinates and to know the extent of their effectiveness, to the point where they can anticipate the needs of workers.
- do not impose 'middlemen' — specialists or others — between themselves and their direct subordinates or between those subordinates and the workers.
- create an atmosphere of positive direction and leadership (and thereby all that this implies).

These are 'maintenance' factors concerned with relationships within the organisation.

To meet the wider environmental requirements of the position as illustrated in the chart on page 4 a range of other qualities will be necessary. Prominent among these must be

- intellectual ability and practical skill to keep abreast of relevant change in all its guises and to re-define priorities when necessary.
- ability to evaluate information received and sometimes to make decisions on insufficient information.
- ability to communicate effectively and to negotiate with all the 'contact people' appropriate to his position.
- skill in conceptual thinking beyond the detail of any situation to be able to think through all the possible implications.
- a planning ability — particularly in financial and marketing areas — sufficient to maintain the thrust and the reality of his activities. At times this must be done in an unstable environment.

NOTE: In this context financial and marketing planning involve the total economic viability of the enterprise, whether it be in the private or the public sector. The product or the performance must justify the effort necessary to create or to maintain it.

All of these skills must be brought together when the manager asks — as he must do regularly and with complete honesty —

- where am I now?
- where do I want to be?
- how am I going to get there?

For this stocktaking is the necessary antidote to complacency, which is the first big step on the downward path towards ineffectiveness.

---

However, there is yet another aspect of the manager's role — that of being a party to a contract of employment with his workers. Special conditions of this contract will be defined in appropriate awards and agreements, but there are common factors which should be recognised and respected by both parties.

It is generally accepted that employees have a right to expect from the manager:

— appropriate pay for the work being done
— appropriate conditions of employment (hours, leave, etc.)
— a planned work flow and proper procedures and equipment to do the job
— instruction in safe and proper work methods
— reasonable consideration of individual personal needs
— good communication, including advance information regarding changes which will affect them
— to be told clearly what is expected of them, and whether or not they are meeting expectations.

On the other hand, the manager has a right to expect from his employees that they will:

- be ready to start work on time and will work until finishing time
- work at a recognised normal pace for each hour
- adhere to the methods, procedures and standards established for the job
- act safely and in accordance with rules regarding security and confidentiality
- adapt to changes designed to improve productivity or efficiency, provided that their positions are not thereby diminished
- keep him informed on matters affecting the job.

These are basic to good working relationships in which both parties know where they stand and through which effective work will be produced.

In fact they are a measure of the manager.

---

Finally, when faced with the pressures of the day,

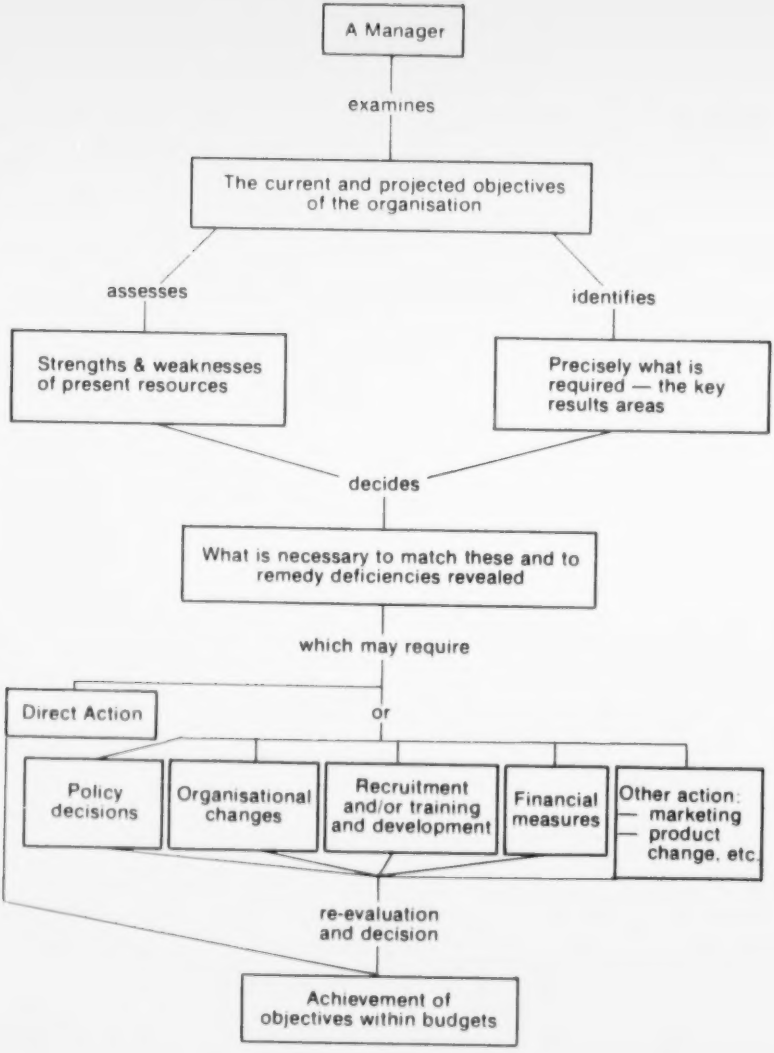
- are you able to reduce complex situations into their basic elements?
- do you allocate a priority to each activity as it arises — and review these regularly?
- do you fix responsibility for every task that must be done?
- does feedback give you effective control?

For that is what getting work done depends upon.

It may well be that as you read this book ideas will strike you. Before you lose them record them on a small and simple planning card which will then become a trigger for your action. Make some blanks and carry a few in your pocket. For example:

| OBJECTIVE: | | |
|---|---|---|
| What I Should Do | How | By When |
| | | |

In summary —


A Manager
examines
The current and projected objectives of the organisation
assesses
identifies
Strengths & weaknesses of present resources
Precisely what is required — the key results areas
decides
What is necessary to match these and to remedy deficiencies revealed
which may require
Direct Action
or
Policy decisions
Organisational changes
Recruitment and/or training and development
Financial measures
Other action:
— marketing
— product change, etc.
re-evaluation and decision
Achievement of objectives within budgets

# Setting Objectives and Achieving Results

To be effective the manager must:

- be quite clear about his objectives, both short-term and long-term
- plan and budget how to use his resources to achieve these objectives
- carry the responsibility and the authority required to translate these plans into action
- initiate adequate control systems to provide feedback on progress so that any necessary corrective measures may be taken at the right time.

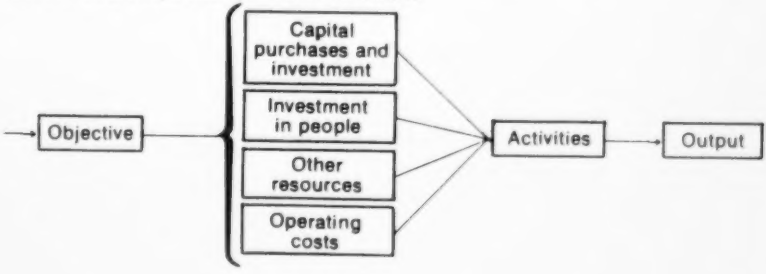
There is one very significant point about these criteria. They are all concerned with results, with the accomplishment of defined objectives. The requirement is achievement, not activity.

This means:

OBJECTIVES
PLANS
ACTION
CONTROLS

Managerial effectiveness is not measured by input factors nor by the efficiency of the components of organisational structure. Human resource allocation, material resource utilisation and all the strategies of personnel and financial management have their important parts to play — but only insofar that they are geared to the purposes for which the organisation exists. For too long too many people have looked upon these inputs as ends in themselves and have directed their activities to them.

Objectives will identify the desired results. The inputs are the resources required to achieve them.



— recognising, of course, that objectives can and do change, and that the organisation must be sufficiently flexible to respond to these changes without losing momentum.

Outputs must be defined, and if possible be quantified though statistics may not always be appropriate. The activity will probably be measurable, but the output itself may be intangible. This relates back to the setting of objectives, for unless there is a clarity and a preciseness in the defining of an objective, the outputs can only be assessed with a similar vagueness.

To survive in the private sector of the economy, one must constantly be seeking to increase profitability — or at the very least to maintain it — and this will mean doing one of four things:

1. reduce costs
   — without affecting quality or price
2. raise prices
   — without reducing sales volume
3. improve the product mix
   — to achieve more using the same basic resources
4. increase sales volume
   — without increasing fixed costs

And equally to survive in the public sector one should be required to seek and to achieve more efficient results, geared to specific objectives, without increased costs and with maximum utilisation of the resources available. Responsibility for results is equally relevant here.

In both areas the prerequisite for success is competent management.

A manager should be assessed quite ruthlessly by the extent to which he accomplishes the output requirements of his position — that is, by his productivity. The organisation has invested considerable resources in his appointment and the unit or units he controls, and it is entitled to a constant reassurance that the returns being gained from this investment justify their continuation.

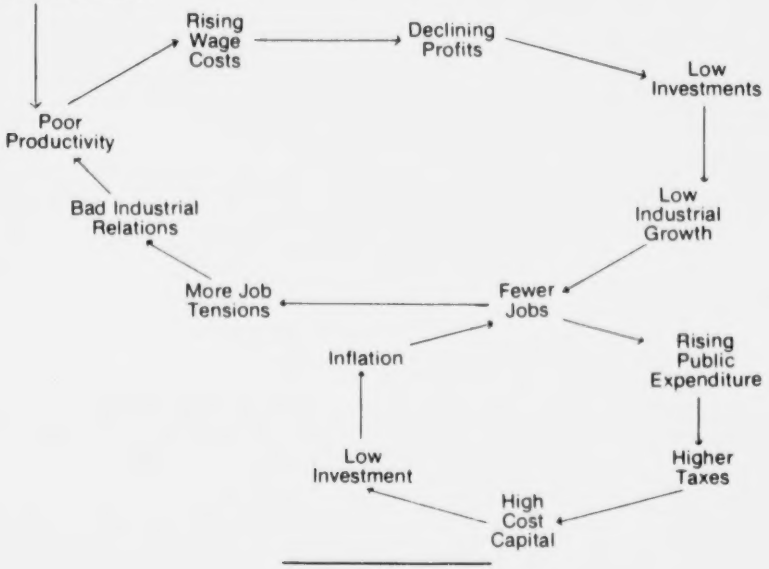
Similarly, the manager should be concerned with the return on investment in each person employed. He should be asking questions such as:

- what contribution does each position really make to the attainment of objectives?
- if the position were to be disestablished or cancelled what would be the effect on organisational effectiveness?

- what, if anything, is needed to make this person more effective?
- what must be done for this to happen?
- how, and by when?

---

The continuing economic viability of the organisation must be a matter of constant concern, and the manager must be alert to the consequential patterns of events and be very aware of his ability to influence each or any of them.
For instance:

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It is important here to define four terms which have quite distinctive meanings:

**Responsibilities**
— those things which you must do and which you must account for.

**Authority**
— the power necessary to fulfil your responsibilities.

Unless your job is limited to an advisory or a recommendatory role, responsibility and authority must always be in balance for neither will be effective without the other.

**Accountability** carries separate criteria. It means liability for total performance. A manager is accountable when:

- he knows what is expected of him
  — the standards required
- he knows what his results are
  — how they are measured or evaluated
- he has the authority and the means to influence his results
  — a facility to take action

**If any of these is missing, he cannot be held accountable.**

And the same criteria will apply to supervisors or other subordinates to whom the manager delegates responsibility, authority and accountability.

**Productivity,** which should not be confused with production. Productivity shows the ratio between the input of all resources and the output of performance. It can be a measure of more output from existing resources, or of the same output from fewer resources
— and these resources include manpower, money, materials and physical facilities.

Typical indices might show:
£ of production : £ of labour cost
£ of production : £ of material cost
£ of production : £ of accommodation costs
£ of production : £ of capital employed
On his productivity results each manager must regularly be assessed.

---

This leads to the question "If you do not know precisely what your job is, can you be held accountable for performance?" — which logically implies that each person should have a **JOB DESCRIPTION** which will outline the objectives for the position and show how progress towards their accomplishment will be evaluated.

A mere listing of duties under the guise of a Job Description will not suffice, for this is a statement of activity and not about output or goals.

People at work constantly seek information and reassurance on two points:

"Tell me what you expect of me"

"Tell me how I am getting on"

A Job Description, properly designed, and prepared in consultation with the person doing the job, can meet these needs, and from it specific training needs can also be identified.

For instance, and in a very simple form:

| Position: | | |
|---|---|---|
| My Key Tasks Are: | My Authority is: | I am Effective if: |
| | | |

— where limits of authority are defined and where the final column identifies the performance standard agreed with the individual for each key task. These performance standards should be quantified, if at all possible.

To have meaning, a Job Description must be geared to the job output requirements. Every job in the organisation has criteria against which performance can be measured. It may be difficult initially to identify these. Some will say "It can't be done for the things I do." Not so — for how else can the job itself be warranted or its execution be evaluated?

The establishment of performance standards is a key component of objective setting, it provides necessary control points for the manager, and it gives the individual the ingredients of motivation and a basis for continuing self-appraisal.

Job Descriptions, which must be reviewed regularly and updated when necessary, are not only of major value to the individual, but they play a central role in most aspects of personnel management, provided they are used intelligently:

## JOB DESCRIPTIONS
THE NUCLEUS OF PERSONNEL MANAGEMENT

JOB DESCRIPTIONS
— current and relevant
RECRUITMENT
— what will the appointee be required to do?
INDUCTION
— what must be learned about this position before starting work?
PERFORMANCE STANDARDS AND APPRAISAL
— what is expected?
TRAINING
— what skills and knowledge are required?
MANAGEMENT DEVELOPMENT
— where does one go from here?
JOB EVALUATION AND GRADING
— on what is the job rated?
ORGANISATION STRUCTURE
- responsibilities
- authority
- accountability

---

The important point is that each worker should have a clearly defined job or jobs — each with a nominated source of authority — assigned specifically to him, a parcel of work for which he knows he will be held responsible. This is the basis for personal identification with the organisation and for stimulus to take action.

A footnote here — if you do not have operational job descriptions and are not yet convinced of their worth, test your present situation by the following action:

(a) list, in a priority sequence, the key jobs which one of your subordinates should be doing
(b) define for each job the performance standards you expect
(c) ask your subordinate to prepare a similar listing of his jobs and of standards as he sees them
(d) sit down together and compare them.

No matter how results oriented the manager may be, little will be accomplished unless each member of the work force is similarly motivated. Primarily, each person is concerned with maintaining and improving his own position in terms of income, security and prestige — this is why he joined your organisation in the first place. If he, too, is to be concerned with and involved in meeting organisational goals, special efforts will be needed to enthuse him about them.

This means that the goals must be visible and attainable, for despair and disillusionment are the prices one pays for setting an unreachable target, and without a realistic purpose motivation will inevitably decline.

Management is something you do with people, not to them.

---

The manager must recognise that activity does not necessarily mean productivity and that busyness of itself may not be geared to the goals for which the unit or the organisation was set up.

A Check List:

Do I know quite clearly what are my objectives and my key tasks?
Are there standards by which I may measure performance?
Do I have the necessary resources?
Am I working to a defined plan?
Do I know regularly how well I am progressing?
Am I doing work which should be delegated?
Am I meeting my responsibilities for training?
Is my communication really effective?
Have I established clear lines of direct responsiblity?
Do all my subordinates fully understand their individual responsibilities and objectives? Do they know how they are performing?

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How would each of my staff answer these questions?

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Where should I be seeking improvement?

NOTES

# Planning and Controlling all your Activities

"If you don't know where you're going, then any road will get you there."

— Koran

"Success is best explained by unremitting attention to purpose."

— Disraeli

---

Planning is intelligent preparation for action. It should involve the future, action and people.

Planning builds on the past and the present to prepare for the future. In today's explosive rate of change one has to think in the future and make assumptions about it and not depend upon extrapolations of what has already happened for this may not even be a reliable guide any more.

Remember that planning for people should include planning with those people, for motivation starts with anticipated goals which are then translated into physical drives which lead on to results and to payoff. And if the work force does not see the goals as being relevant to them or involving them, they will not be prepared to make any special effort to achieve them. No matter how good a plan is, if the people for whom it is made fail to feel it belongs to them, it will not work.

The logic of planning is fairly straightforward, but the impact of circumstances, not always within one's control, can make it difficult. Ideally, one should take the following steps:

1. Be quite clear about the final objective
   — this should have regard for such factors as expected return on investment (which may take several forms), profitability, productivity, or performance targets, or budget limitations.
2. Set short-term objectives, and budgets if appropriate, which will act as check points leading to this goal. These should include the criteria for effectiveness, e.g. with an overall objective of energy conservation, the task of one section might be to reduce its electricity power costs by 6% within a nominated period.

— there is need to ask: for each of these objectives do you have the necessary management, people, money, machines, materials or markets? Any one could be a vital component.

3. Allocate clear parameters of responsibility, authority and accountability. This should include requirements for reporting progress regularly and for the setting of target dates.
4. Initiate appropriate means of
   - communicating the plan to all who will be affected by it
   - receiving feed-back in sufficient time and under the headings necessary to take action upon it
   - seeking and evaluating new information which may affect the original plans.
5. Prepare alternative strategies to cover changing circumstances.

But, **plans will fail if there is**

- a lack of understanding of the problem or of the objective
- insufficient time for planning, which results in expediency action
- inadequate consideration of the possible alternative courses of action
- any defect in the control systems set up
- failure to supply sufficient information to those concerned
- misunderstanding, misjudgement, bad timing
- failure to identify the person or the factor with the power to veto the plan
- inability to recognise that the inevitable will always happen
- insufficient consultation
- failure to think through all the likely consequences
- a planning of work but not a working of the plan.

However, there are two aspects of a manager's job: He will be seen to —

- allocate work
- give instructions
- solve problems
- communicate
- co-ordinate the work of others
- control the work of others

and so on

But privately he has to decide —

- what work to allocate
- what instructions to issue
- what problems to solve
- when, how and what to communicate, co-ordinate and control.

His success in integrating these two aspects depends on his ability to plan.

The trigger points in managerial action:

Once a plan has been decided the manager must be seen to be committed to it. If not, the staff will also withhold their own commitment.

**A Planning Check List**

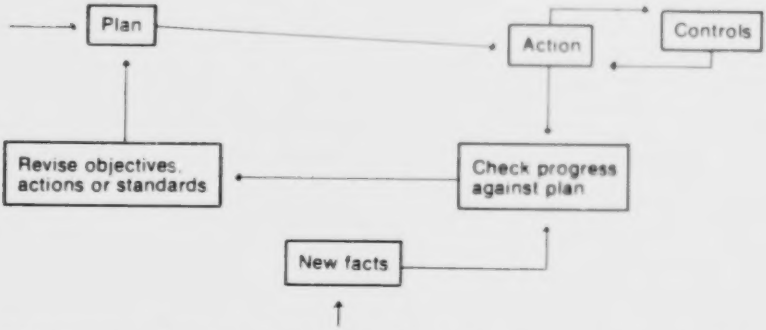
- what is the objective?
- is it clear and concise?
- is it understood by all concerned?
- is it accepted?
- have check points been established?
- is the timing correct?
- are all the necessary resources available?
- have all external factors been considered?
- can the plan be changed if necessary?
- is the plan a spur to action?

The manager must be able to distinguish between

— what must be done (and when)
— what should be done
— what could be done if . . .

and to act to meet the actual requirements of the situation.

But new facts will emerge constantly and the plan must be adjusted as necessary.




This means, of course, that where the circumstances so warrant it is prudent to prepare **contingency plans.**

One way to do this is to identify possible difficulties or problems which conceivably could arise when the plan is put into action, and to plan alternative strategies for dealing with them now so that the risk is removed or substantially minimised. It may help to chart this:

| **Objective:**<br>**Action Planned:** | | | | |
|---|---|---|---|---|
| Possible problems and their causes | % Probability of happening | Preventive action possible | % Residual probability | Contingency plan |
| | | | | |

Planning should be selective.

It is generally accepted that some 20% of the input in any activity is responsible for some 80% of the resultant output — and this seems to apply to most aspects of private and public business. Thus it follows that planning should identify and should concentrate upon the key areas — those activities in which sound performance is vital to success and which, if neglected, could seriously jeopardise the effectiveness of the unit. Similarly, the use of controls, discussed below, should be just as selective.

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Planning is not necessarily an elaborate exercise, but some measure of work planning will probably be required every day. For this, a form of charting can be most useful if it is designed to meet a specific need. One such example might be:

Work Planning Sheet

| The jobs I have to do are | My priority listing is | I estimate each job will take | What can I now delegate or postpone | Action to be taken |
|---|---|---|---|---|
| | | | | |

In another situation where specific projects will be handled by subordinates the following may be appropriate:

**ACTION PLANNING SHEET**

Objective:

Target Date:

Person Responsible:

Action Agreed:

Discussed on / /

Likely Areas of Difficulty:

Resources Needed:

Progress Reviews: (1) (2)

Results Achieved:

Project Completed:

Manager

/ /

Simple yet adequate documentation of planning should also provide the medium for effective control of the activity.

## Controlling

Purpose: to supply to those in key positions the information necessary to know whether objectives are being achieved, and in such a way and time that the necessary corrective action can be taken

: to provide pulse beats, not a post-mortem report.

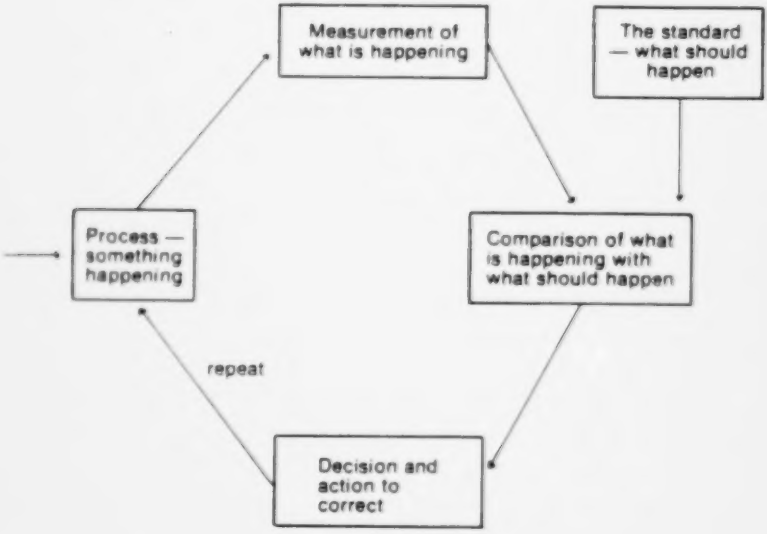
Control is the essential counterpart to planning — no plan will be effective unless it is controlled.

A manager has been given the responsibility and the authority to use certain of the organisation's resources

— its people, machines and equipment and its time and its money

and he must account for their efficient use in the achievement of defined objectives.

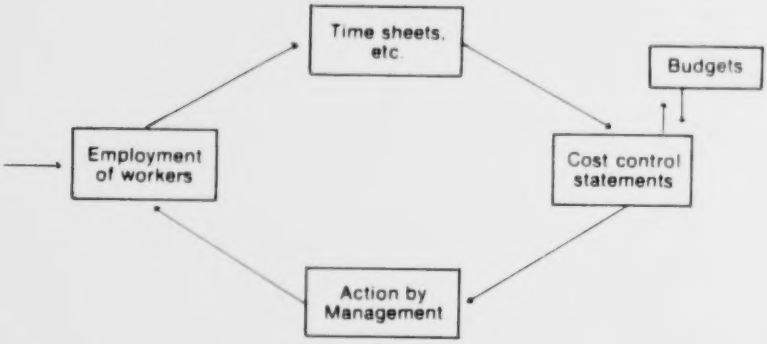
The pattern of control — **the control cycle** — follows a logical sequence which is common to all activities:


Measurement of what is happening
The standard — what should happen
Process — something happening
Comparison of what is happening with what should happen
repeat
Decision and action to correct

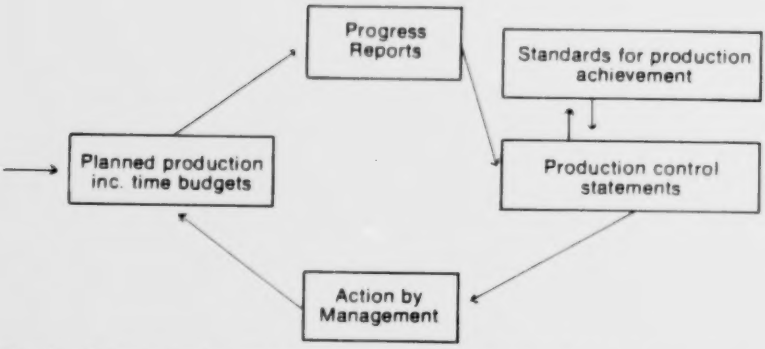
— and this ties in very closely with the definition of managerial accountability discussed on page 15.

Typical examples showing the use of this control cycle might be

**Labour Cost Control**




**Production Control**




Production or performance may also be expressed as a percentage figure:

$$\frac{\text{Actual}}{\text{Standard}} \times \frac{100}{1}$$

But several points must be noted:

- control is not obtained without action
- action does not take place unless someone is held responsible for it
- a pre-determined standard must be established, and this together with the actual performance achieved must be subject to continuing review

— control must be a continuing process. That which is not inspected will deteriorate.

Consider, for instance, the case of a manager who is not controlling labour effectively.

Among the things which could be happening might be:

- his knowledge of what is actually taking place could be wrong — he may be acting upon hearsay or opinion instead of upon facts
- his basis for comparison might be faulty — he may be comparing performance with standards which do not apply to this particular situation
- his standards could be faulty — perhaps based on past experience instead of what is now achievable
- his corrective actions may be wrongly applied, be too late, or be inappropriate to the situation.

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Over-controlling can be a fault nearly as serious as under-controlling.

**Where you work**

— do the controls now in use encourage people to achieve objectives or do they actually work against this?
— where are the control points? The greatest potential for control exists at the point where the action takes place — does this happen?
— list the regular reports which are now being submitted and the controls being exercised.
Consider each, and ask:
  — what is its real purpose?
  — how effective is it? What action follows?
  — is it necessary? why?
    — in its present form?
    — at present time intervals?
    — at the same level of reporting or control?
  — do the people who prepare it understand its purpose?
  — what critical information should it contain?
  — what are the gaps?
  — how else might the key objectives be achieved?

In general, some 20% of your activity will produce some 80% of your results — therefore it makes sense to identify this 20% and to ensure that control is focussed particularly on those areas.

If the manager is working in a trading situation he must have immediate and on-going controls in such vital areas as sales, cash and profits. His basic accounting information must include accurate costing data, effective budgetary control and a cash flow forecast.

**Sales** figures must be analysed regularly to ensure that ratios are at least being maintained, at best are improving. Sales forecasting must take into account past performance but dare not overlook market trends and other indicators of change, the economic climate and inflation. As part of the marketing plan it is the basis of profit forecasts, and control of emerging variances is critical.

**Cash** must be available when needed.
Cash flow forecasts must include:

Bank balances, cash receipts from sales and/or debtors and other trading sources

Cash payments for materials and/or purchases, wages, other operating costs, loan repayments, taxation and purchase of fixed assets.

Adequate monitoring of stock levels and of credit control, both within defined limits, is important here.

**Profit** objectives should be set and controls instituted so that progress towards their attainment will be recorded and acted upon. Simply defined, profit is the increase in net assets resulting from ordinary business activities. If quarterly Profit and Loss Statements are available, not only can seasonal variations be detected but variations in items such as expenses will be identified in time for corrective action to be initiated.

Controls must be relevant.
Some examples of what to look for might be:

| Nature of work | Emphasis on | Analyse |
|---|---|---|
| Manual | Operator performance | Performance reports<br>Waiting for work<br>Putting right/correcting<br>Cost records |
| | Volume | Quantity and quality |
| Machine controlled | Machine efficiency | Mechanical failures<br>Changeovers/down time<br>Waiting for material<br>Processing defects |
| | Volume | Quantity and quality |
| Jobbing | Accuracy of planning<br>Achievement of targets | Planning errors<br>Production reports<br>Waiting time |

Note, however, the possible effects of external factors beyond the control of the workers and be prepared, sometimes at short notice, to adjust to these.

In manufacturing in any form some of the traditional areas of control are:

**Production Controls**

The form of these will vary considerably depending upon the nature of the production, but there are certain requirements which are basic to all operations:

- information relating to work loading and work flow capacities so that accurate planning may be done
- details of materials and other resources availability
- assurance that people are adequately trained to handle all aspects of the production processes
- a control of actual work — output, stocks, work-flow, etc. — so that the control cycle steps may be followed.

**Quality Control**

Quality may be defined as fitness for purpose.

Quality control should be a responsibility shared with the people who do the work. Quality has to be built in — it cannot be inspected in.

When people are being trained they should be taught to reach the quality level they will be expected to maintain. Quantity levels can be and are increased with experience, but quality tends not to be.

Quality control should be established at points where the job is processed — if this be possible — so that corrections may be made with minimum cost and effort.

This suggests four inspection points:

- when the raw material is first received
- tool-room, or equipment, and 'first-off' inspection
- during the component or sub-assembly stages
- finished goods inspection

The nature of the work being done should determine whether full or sample inspections will be required.

**Inventory Control**

The objective here must be to maintain an adequate supply of correct and needed material at the lowest total cost. Defects in this area can be very costly and can significantly affect profitability.

The control points should include:

- identification — in consultation with sales and production staff — of the known materials requirements, and requisitioning for their procurement to defined specifications
- receiving and storing materials safely and securely
- issuing materials through proper procedures
- identification of surplus stock and the action necessary to reduce it.

**Budgetary Control**

A budget is the financial evaluation of management plans and is concerned with the maximisation of the return on capital employed. Thus budgetary control means preparing a financial plan and then making control decisions on the basis of known and emerging facts. It leads to cost reductions and cost control.

The budget for an organisation is the sum of the budgets for each of its main functions. The basic principle is that costs should be controlled at the point at which they are incurred — these areas of responsibility being designated **cost centres.**

Budgets will be based on assumptions related to plans and will cover all aspects of the operations, but the manager of each cost centre should be in a continuing position where he can take control action to gear his activities to his budget limitations.

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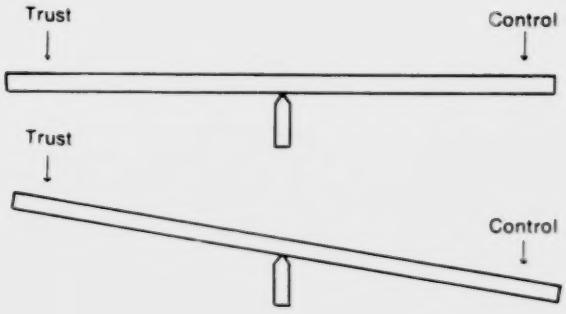
**A Managerial Dilemma**

The above emphasis on controls suggests a policing by the manager of the activities of his subordinates, which in turn implies a lack of trust.

Where work has been delegated it can be argued that there should always be a balance between trust and control.



Where there is an increase in control it follows that there will be a corresponding decrease in trust, and vice versa. This creates a dilemma for the manager, but it must be remembered that the manager's effectiveness is measured by his attainment of objectives, that controls are essential if for no other reason than to record progress towards this end, and that the controls in themselves should be a participative evaluation of this progress by all involved in it. Team meetings to discuss working strategy should be held regularly. Controls should be motivators, not demotivators. If they are restrictive it is quite likely they may be costing more than they are achieving.

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# Identifying and Managing your Resources

The effective manager will know at any time not only what his available resources are, but will have taken the steps necessary to ensure that they are used to optimum efficiency.

These resources will include:

1. Finance
2. Fixed assets
3. The people employed
4. Stock
5. Work methods
6. Marketing strategy
7. Time

The manager must be very aware that poor management of any of them can and will create serious problems, and may lead to disaster.

1. **Financial Management** is concerned with getting the greatest possible benefit for the organisation from a given amount of money or resources.
This includes
   - capital raising
   - determining the mix of debt and ordinary capital
   - deciding upon alternative investment opportunities
   - recommending the basis of a dividend policy

and is concerned with determining
   — what total volume of assets a business should acquire and maintain
   — what form these assets should take, and
   — how the total funding required for this purpose should be financed.

The hard core of financial management is building the organisation's plans into budgets, which are plans expressed in terms of money and time. These can then be used at regular intervals to compare actual performance with what was forecast. How to deal adequately with these variances to produce the best corrective action, is a continuing test of managerial skill.

The preparation of a budget will depend largely upon the nature of the business — for example, it might be based on a consideration of

— deciding the level of return the business should produce
— an extension of sales, costs and profits from past performance
— reconciling the proposed profit with the estimated profit from past performance.

Budget control sheets can be the charts by which progress towards objectives is recorded — and it should be remembered that although costs are presented in terms of facts and figures, they are frequently the outcomes of action by people.

Key financial control areas should include a continuing check on movements in costs, sales and other revenue, stock turn, credit control, cash position, return on funds employed, net and gross profit, and market position.

In the public sector the emphasis is different. Here the task is to

- identify the objectives of a particular public policy
- define the programmes required to meet these objectives
- forecast the costs of these programmes
- relate these to the funds available and make any adjustments necessary
- relate expenditure to budgets
- relate programme and financial plans to the overall economic objectives
- set up appropriate control checks.

The common key element in both sectors is to recognise the limitations of the funding available, and to take continuing action to ensure that the maximum return is obtained from this, consistent with objectives.

- The return gained must take into account all relevant factors, including inflation.

2. **Fixed Assets** — Usually defined as buildings, plant and equipment, and vehicles — cover the economic resources which are expected to yield future benefits to the organisation.

Under these headings are many specific factors which call for unremitting attention by the manager. To select a few of these will indicate the nature of cost items which can significantly increase expenditure:

**Buildings**

- what are these actually costing each year?
- is all space now fully utilised?
- how might it be better used?
- is it more economical to own, to lease or to sell and lease back?
- can surplus space be quit, or sub-let?

**Plant and Equipment**

- should it be owned or hired?
- is each item being economically used?
- is there planned preventive maintenance?
- what is the value of spares carried?
- what is the replacement policy?
- are all operators properly trained?
- what is the percentage and the cost of down time or waiting time?

**Vehicles**

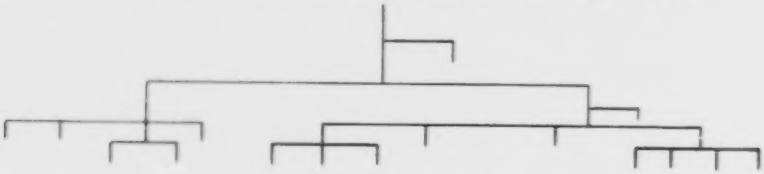
- what are the comparative total operating costs of the vehicles held?
- on the basis of total costs over a defined period, including maintenance, does each vehicle justify retention? What are other alternatives?
- would pooling show advantages?

From this listing, other headings appropriate to your own operations will no doubt come to mind. Cost savings here may well spell the difference between an overall profit or loss in your business. Public sector spending in these areas must also be watched carefully.

3. **The People Employed**

The first step is to ensure that the **organisation structure** is appropriate for the nature of the activities which must be carried out.

Organisation may be defined as a network of relationships between people working to achieve defined objectives, and its structure may take several forms. The traditional pattern of **formal organisation** — the family tree or hierarchy example — demonstrates the planned authority of supervisors over subordinates and is based upon the logical processes of setting relevant policies and enforcing appropriate standards. Authority flows from the top down through defined channels — the chain of command — and communication should pass up and down similarly. Operational people are here called 'line' and advisory or specialist assistant people are called 'staff'.



(Note: If there are manager and assistant manager positions the specific responsibilities of each must be clearly delineated.)

**Functional organisation** stresses the need for people performing similar functions to be able to work together without any apparent restriction from a formal organisation structure — an example would be a head office supply or stores manager dealing directly with a supply or a stores officer working in a district office. Depending upon the nature of the work, this can have both strengths and weaknesses.

Organisation theory is a complex business, but two other patterns merit consideration. The first — **project organisation** — provides for the setting up of special task groups of people brought together for particular purposes under nominated leaders, and who go back to their substantive positions when the project is completed.

From this has emerged a pattern known as **matrix organisation** which provides for the formal establishment of team groups within or as part of the existing structure — examples might be product development groups, marketing promotions teams or special regional groupings.

The significant point is that the organisation pattern must facilitate the achievement of objectives, not be a hindrance to it. Clogged or blocked channels can be very expensive, all ways, and where there are bottlenecks it is a truism that the neck of the bottle is usually near the top.

What is meant by human resources?

The other alternative, of course, is only to employ machines to work for you, but as you are a manager it is assumed that you also employ people — and the difference between machines and people is that:

- people have intelligence they expect to use
- people are able to make judgements and to make decisions
- people have expectations regarding their roles in your organisation
- people are able to make a variety of significant contributions to increased productivity — if they so wish.

Therefore you should strive to use these talents fully in your organisation, and the more you do so the more effective you will be, and conversely . . .

If you give responsibility you will get response.

The next chapters of this book discuss people at work in more detail, but it is perhaps appropriate now under this heading to make some basic and important points:

— a manager should use people's minds as well as their hands.
— responsibility should be placed where the work is and where all the facts are known, and with the lowest ranked appropriate person.
— most people have a lot of untapped reserve capability — but if a person thinks that being expected to work harder will be a threat to his security he will work less, and keep more of his capability in reserve.
— the skill for finding out how to get more work done with less effort lies primarily with the people who actually do the job, and they should be rewarded for using this skill.
— a person cares more about his work when he — and everyone else — can identify it as his own.

— people have a big stake in the organisation which employs them — while they are there they are investing their lives in it — but for this to have meaning they must be able to participate in regular and sincere dialogue with management on matters which concern them.
— people will usually respond positively if they are involved and consulted in decision making on things which will affect them or their working conditions.

4. **Stock**

Stock is money which is tied up until it is sold, so stock levels should be no more than that which are required to meet the service expected by your clients or customers. While you are holding it the stock has to be adequately stored and regularly accounted for, and this custody is in itself a continuing high cost item. This suggests that stock should be under the control of the production manager and be identified as one of his cost centres. Stock includes raw materials, work in progress and finished goods.

The basic objectives of stock management should be to ensure that:

- material required for manufacturing or operational purposes is available in the right quantity and quality at the required time and place.
- the level of stock is kept as low as possible to keep invested capital to a minimum and to avoid occupying excessive space with resultant high overheads.
- information for financial control is readily and accurately provided when needed.
- stocks are protected against obsolescence, waste and pilfering.
- a basis is provided for an appropriate system of continuous stocktaking.

However, even when effective control systems have been introduced, the manager still has a continuing responsibility to reduce further the stock and materials handling costs. Action here should include:

(a) — seeking the assistance of the people who handle the stock to

- ensure they understand what it now costs
- reduce waste, scrap or spoilage
- improve stock or material flow movements
- promote better utilisation
- reduce the paperwork required

(b) — checking that

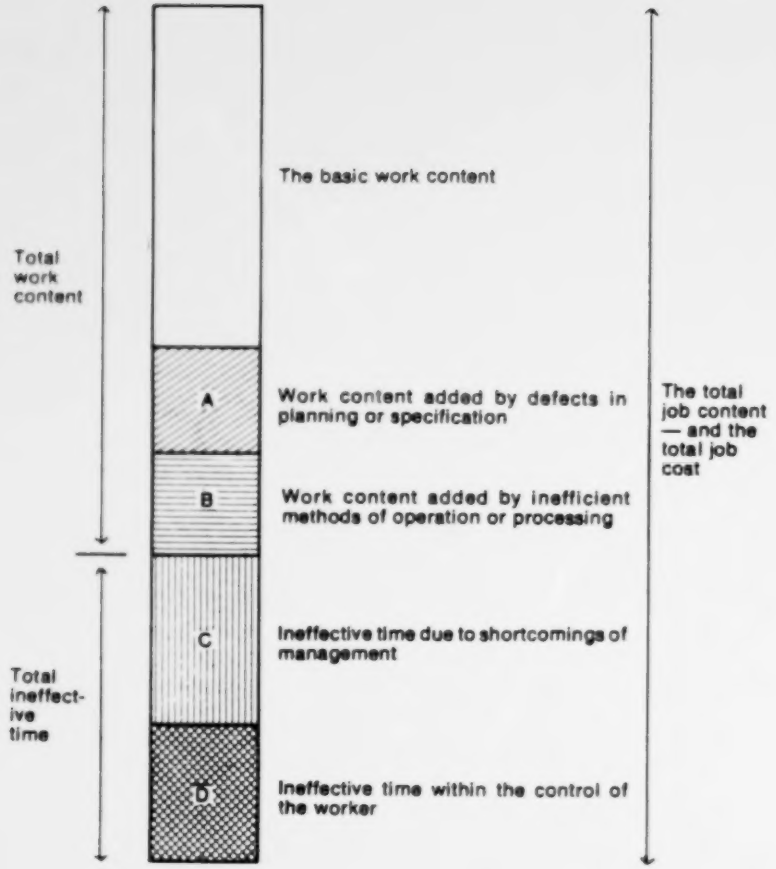
- purchasing has considered the availability of cheaper satisfactory alternatives
- competitive quotations have been sought
- standardisation has been introduced wherever possible
- re-use or re-cycling of waste has been examined
- the major items of cost have been identified and investigated
- alternative methods of materials handling have been studied.

(c) — ensuring that there is continuing liaison between groups such as sales and production people. Communication blocks here can affect stock movement and thereby profitability. Changes in market place situations are occurring at an increasing tempo and accurate early warning is essential.

## 5. **Work Methods**

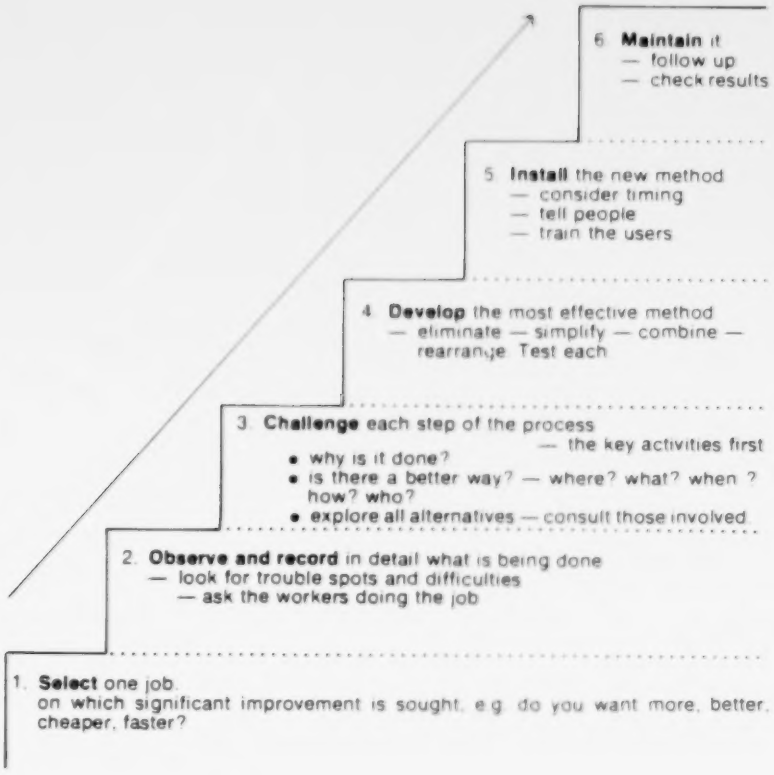
The work methods you have adopted have evolved to their present position where you consider them as being adequate for their purpose, and as such they must be regarded as one of your key resources — but are you quite sure that they are giving maximum efficiency?

Research has demonstrated that within every job there are probably five components:


Total work content
The basic work content
A
Work content added by defects in planning or specification
B
Work content added by inefficient methods of operation or processing
C
Ineffective time due to shortcomings of management
D
Ineffective time within the control of the worker
Total ineffect-ive time
The total job content — and the total job cost

Obviously each of these five factors will vary from job to job — but the costing of A B C and D must give a manager cause for concern, once each item has been identified. This should lead into practical planning to improve the jobs methods.

It is generally accepted that job method improvement must follow a series of logical sequential steps — stemming from one preliminary and obvious question, "could the whole job be eliminated?"


6. **Maintain** it
— follow up
— check results
5. **Install** the new method
— consider timing
— tell people
— train the users
4. **Develop** the most effective method
— eliminate — simplify — combine — rearrange. Test each
3. **Challenge** each step of the process
— the key activities first
• why is it done?
• is there a better way? — where? what? when ? how? who?
• explore all alternatives — consult those involved
2. **Observe and record** in detail what is being done
— look for trouble spots and difficulties
— ask the workers doing the job
1. **Select** one job
on which significant improvement is sought, e.g. do you want more, better, cheaper, faster?

Note: This can be applied to all work activities, not just to manufacturing or to processing.

There's always a better way
— but always seek the ideas of those who are doing the job now, and be prepared for the human reactions of

- resistance to change
- resentment of any criticism
- feelings of insecurity
- a complacency with present methods

The better way will fail if people feel threatened by it.

One stimulus to tap for ideas of people in developing simpler or improved procedures is through a realistic suggestions scheme, properly run. The incentives have to be sufficient to sustain enthusiasm. One accepted practice is to reward on the basis of 10% of savings in the first year following implementation. Ideas are the currency of progress.

Method improvement requires:

- a desire and a determination to produce better results
- an understanding of the human factors involved
- an understanding of the economic factors.

**Value Analysis**

Value analysis is a technique associated with method study. Its objective is to maintain or improve the value of a product while reducing or maintaining costs. Maximum value is defined as the lowest possible cost to provide the essential function of a product or a procedure.

The analysis follows five steps:

1. Information seeking
   - — assemble all the facts and all the costs
   - — identify prime and secondary functions
   - — determine market requirements
2. Creative thinking
   - — generate alternatives
   - — consider new processes or products
3. Evaluation
   - — test and select the most promising ideas
   - — recommend
4. Investigate the application
   - — plan the implementation
   - — identify possible problem areas
   - — try out and evaluate the reactions
5. Report and implement
   - — follow up and re-test
   - — identify actual savings

The essence of this method is that it relates cost to function instead of the usual cost to product. This functional approach will seek clear answers to questions such as:

— what is it?
— what does it do?
— what does it cost?
— what is the function worth?
— what else will accomplish the function?
— what will that cost?

It recognises that value

- is relative and is not an inherent feature of the product
- must be evaluated by comparison
- is geared to worth as measured by demand.

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6. **Marketing Strategy**

Marketing — making and selling at a profit those things which people want to buy, not trying to sell what you can make.

Have you asked

- why do people buy or use your products now?
- what is your market share?
- what could change this?
  — how prepared are you?
- what do you do, make, or offer which you do better than anyone else, even if only marginally?
  — there must be something, otherwise how do you justify your position?
  — what are you doing to strengthen this special quality?
- is your market expanding or declining?
  — will this continue? for how long?
  — have you considered alternatives?
  — where could you be three years from now if you continue as you are?

And if you work in the public sector where the criterion for survival is not profitability but an ability to meet objectives within budgets, the marketing of your skill still has relevance. The goal will not be the maximisation of profit, but the avoidance of loss — which may not be measured only in financial terms. Your resource is the uniqueness of your own skill and that of your unit, and the optimum utilisation and the continuity of this may depend upon your marketing ability.

Marketing planning — if your activities are expanding — should follow well-proven steps

- assumptions and proposals regarding objectives
- analysis of the situation
  - — your organisational capability
  - — customer or client needs
  - — actions by your competitors
  - — technological factors
  - — environmental or change factors
- identifying opportunities and problem areas
- establishing specific goals
- determining key and basic strategies
- action planning
- budgeting and resource allocation
- setting appropriate controls and checks
- initiating further follow up and research

The marketing process ends only after goods or services flow from the product to the customer or client.

However, during a time of recession, or negative growth, the marketing strategy may and perhaps should be directed towards the deletion of products or services which are not providing a satisfactory rate of return. Despite reasons such as "we've always done it" and "our customers expect it" there are several signs which state that surgery must be undertaken if the body is to survive. These could include:

- — sales decline
- — reducing profitability, e.g. sales are maintained but costs rise
- — the expected impact of new technology
- — availability of acceptable substitutes

The key questions on which decisions to delete or discontinue must be made are:

"If we retain this product/service what will be the real effect on the organisation?"

"If we remove this product/service what will be the real effect on the organisation?"

This "real effect" means the impact on effectiveness or profitability of both the human and the financial factors involved.

## 7. **Managing Time**

Time is a resource which cannot be bought, stored, hired or stockpiled. It is most costly, therefore it must be controlled.

The manager should be concerned not only with the costs of salaries and wages ($10,000 per year = 10 cents per minute) but equally with the labour costs of waiting or down time and time increased by inefficient work methods or procedures. Constant vigilance is necessary to detect this. A check on how one's own time is spent is also important.

You have all the time there is — there isn't any more. So you have three choices

- — you can work longer or
- — you can work harder or
- — you can manage your activities better.

Under this latter heading there are many things you can do. For instance, list all the time wasters which affect you and identify who is the waster in each case — you or "them". Then plan some specific corrective action. Can you:

- — delegate more?
- — reduce aimless walking, needless talking?
- — control interruptions?
  - — kill your phone for set periods
  - — train subordinates to consolidate their queries
  - — do just one thing and stick with it — don't interrupt yourself
- — identify and eliminate bottlenecks?
- — maintain a pocket reminder system for target dates?
- — nominate stop times as well as start times for meetings?
- — break big tasks into small units?
- — commit yourself publicly to meet deadlines?

The essence of this is — as you improve your skills of self-management your effectiveness will increase and you will have more of the time you need. But to save energy you must first know where you're losing it.

It is not the hours you work that count — it is what you put into the hours.

# Planning for people who will work with you

**Manpower* planning** is essentially concerned with the effective, controlled and planned utilisation of people at work. Its purpose is to safeguard the future by ensuring that the right kind and right amount of staff will always be available.

From the manager's position this means that, knowing the detail of both the short-term and the long-term objectives of the organisation, he must then relate these requirements and activities to the planning and implementation of

- recruitment, at all levels
- training, at all levels
- career path plans
- staff appraisals and counselling
- staff development
- staff replacement planning (management succession)

and in considering each of these he must take into account the projected impact of external factors on the organisation with particular reference to staffing and to the utilisation of skills.

The basis for the manpower plan is to have precise and detailed knowledge of what resources the organisation actually has at its disposal, in terms of knowledge, skill, and individual and group effectiveness. This will require adequate up to date personnel records and documentation.

The logic of action should include:

- Investigation of
  - — recent changes in activity patterns
  - — staff movements analysis
  - — assessment of current skills
- Forecasting
  - — the impact of external factors
  - — projected activities
  - — expected staff movements analysis
  - — assessment of skills needed
- Planning to bridge the gap between availability and needs
- Taking action in all appropriate areas
- Evaluating results

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* Using "manpower" as a unisex term

There are four essential ingredients in manpower planning:

1. **Organisational activity forecasts**

Each organisation will have its own forward plans, geared to overall objectives and based on 1, 2, 3, 4 or 5 year forecasts, which of course must be updated constantly.

These forecasts must be translated into specific activity functions, such as production, marketing or performance plans, so that draft budgets for each may be prepared. This must include staffing budgets showing projected manpower needs matched with estimated resources. These can be broken down to identify likely changes in staff numbers and in job classifications.

2. **Staff movement analysis and replacement scheduling**

Most organisations realise that machines wear out or become redundant. So they plan for new machines to meet new specifications. Similarly, people leave and job content changes, and replacements have to be planned.

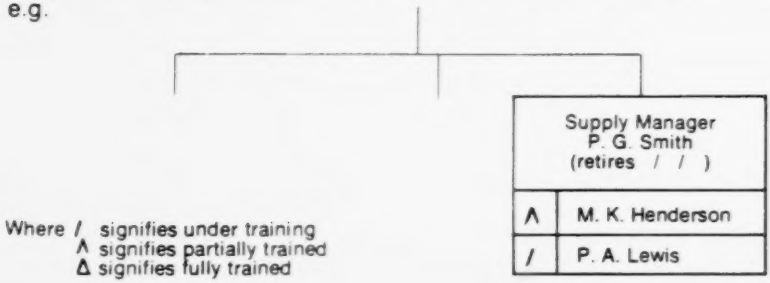
Historical records of movements between functions and between grades, as well as of movements in and out of the organisation, including labour turnover, are obviously necessary.

From this can probably be deduced staffing needs for each occupational group, e.g.

**Supervisors**

| | |
|---|---|
| Current total | 37 |
| Estimated losses during year | 12 |
| Impact of planned changes | –3 |
| Therefore number required next year | +9 |

For each ranked or graded position, provision should be made for replacement staffing or for management succession, identifying people being prepared or showing potential for this advancement, e.g.




Where / signifies under training
Λ signifies partially trained
Δ signifies fully trained

3. **Measurement of potential**
This requires a continuing inventory of

— current capabilities matched against needs
— current performance appraisal
— assessment of individual potential

and plans for further action.
This is discussed under Staff Appraisal on page 61.

4. **Job Evaluation**
The objectives of job evaluation are:

- to provide systematic and factual data for determining the relative worth of jobs
- to provide a basis for equity in wage and salary administration
- to provide for more accurate forecasting of wage and salary costs
- to provide a method for periodic reviews of wages and salaries
- to establish sound principles and procedures for the administration of wage and salary policy and to reduce grievances here.

But it does not provide a foolproof formula for the fixing of wages and salaries. It is a useful aid.

The sequential steps are
— obtain and analyse facts about each job, leading into Job Descriptions
— rate each job in accordance with an accepted rating method
— apply cash values to each job — pricing the job.

The recognised forms of job rating include
- job ranking — ranking jobs in relation to other jobs and grouping these into grades, with pay levels for each grade
- paired comparisons — each job is compared with every other job to produce a ranking order (one way is to split 10 points between each pair)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- job grading (classification) — establishing pre-determined job grade definitions or criteria, and classifying all jobs in terms of these definitions, e.g. Grade 1 — simple routine tasks — labourer, general hand
- points rating — jobs are broken down into a number of factors — e.g. skills, responsibility, physical and mental requirements, working conditions, etc. Points are allocated to each on a pre-determined scale and may be related to pay rates.

However, to be effective, job evaluation is dependent upon close and frank consultation between management and unions. Continuing communication with all who will be affected is critical.

Management must make the best use of its manpower resources, and provide the facilities and the opportunities for each employee to develop his potential. This concern must commence from the time of recruitment and continue through all the processes of staff development.

**Recruitment and Selection**

The use of organisational skill and training techniques will not suffice if the wrong person has been appointed. The selection of people for your organisation is of critical importance, for mistakes here can be extremely difficult and costly to rectify.

Each appointment is an act of faith, but the use of proven techniques can significantly reduce the chances of making a bad choice.

The recommended sequence of action is

(a) stocktake the position
  — does it need to be filled or can duties be re-assigned?
  — how else might the vacancy be dealt with?
(b) analyse the position now to be filled
  — prepare a job description for it
  — identify the factors the appointee should have
  — isolate the critical factors the appointee **must** have to meet the job requirements
  — incorporate these critical factors into the interview form, for these now become the selection criteria

(c) advertise the position
— in the area or medium and in the manner most likely to attract the type of applicants preferred

(d) if the position is a senior one, mail to the enquiring applicants
(i) an outline of the job description
(ii) a profile of the knowledge, skill and experience desired in the appointee
(iii) an application blank
(this enables the potential applicants to do an initial self-screening without wasting your time or effort)

(e) arrange the interviews
— the basic premise being that the best prediction of what a person will do in the future is an extension of what he has done in the past.

(f) select the best applicant
— compare all applicants under the critical factors ratings. A 6-point scale is recommended.
— assess them under three further headings:
"Can he do the job?"
(Aptitudes + Education + Experience = Ability)
"Will he do the job?"
(Ability + Drive = Achievement)
"Will he fit into the work group?"

If no applicant meets all the criteria there are two alternatives — re-advertise or re-design the job to match the abilities of the best applicant.

Care must be taken to ensure in the selection process that there has been no discrimination against any applicants on grounds of sex, marital status, religious or ethical belief, ethnic or national origin.

The controlling officer or direct supervisor of the appointee should be a member of the selection process, or at very least should be fully consulted before an appointment is made.

Call for referees' reports rather than depending upon references and probe these carefully to get a full profile of the applicant. The question "Would you employ him again, without reservation?" can be a useful one.

Then after appointment, do not hesitate to use a specified probationary period to make certain that the expectations of both the organisation and the appointee are being met. It should be a condition of the appointment. This is the only opportunity for a wrong selection to be corrected without major inconvenience and at minimum cost. It is also fair to the appointee.

**The Introductory Process**

The new appointee — and the transferred person and the newly promoted — takes up his new position with certain expectations.

These will include

- a clearly defined job for which he can accept responsibility
- a job which has purpose and which will keep him fully occupied
- training which will make him competent
- adequate remuneration for work done
- opportunity to demonstrate his capability

First impressions cannot be postponed, and his initial reception will create attitudes which will be reflected in his performance. This is demonstrated by the fact that the peak period for staff turnover occurs in the first four weeks of employment.

The introductory process must be well handled — and it seldom is. The new arrival should be welcomed appropriately, introduced to his key contact people, and given an outline floor plan of the work place with names pencilled in to show where people are located. He should also be given a Check Sheet on which he can mark off the essential information he needs as he acquires it — this would cover such things as pay rates and procedures, working conditions, leave provisions, union obligations, accident and diasaster procedures, etc.

Certain people will have particular needs which may require special attention. For instance, the physically disadvantaged may need special facilities, those from other cultures may need help from someone in their ethnic group, and graduates will come with particular expectations which may need to be reconciled with the realities of the work place.

The objective should be to get him turning out productive work as quickly as possible in an environment in which he feels needed, competent and forward looking. The alternative will be a measure of frustration and uncertainty.

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**Training**

Training is learning designed to change the performance of people doing jobs. There can be many objectives — for instance

- — to enable new appointees to reach basic or average earnings as quickly as possible
- — to reduce the time taken to learn a new job and thus to reduce costs
- — to reduce spoilage, waste or down time
- — to introduce or to standardise correct methods
- — to achieve, maintain or improve quality standards
- — to improve safety on the job

or quite simply
Required Performance — Actual Performance = Training Need
— but training is not necessarily the only solution to remedy any shortfall here. Circumstances may require the manager to consider other alternatives, such as seeking correction through encouragement or threat of penalty, by job re-arrangement or restructuring, or by transfer or by termination and replacement.

Training will cost time and money, so it must be planned, be a budget item, and be evaluated. Therefore each training project must have a clearly defined objective, quantified if at all possible, against which subsequent performance may be assessed, and a target date. If there is no precision here — such as "to improve supervision" — the resultant evaluation will be equally vague.

Training must be linked directly with the operational tasks and goals of the organisation. Many training officers have fallen into the costly trap of conducting surveys to identify training needs, leading into a series of training programmes to meet these stated needs, only to find that these are not necessarily concerned with the immediate operational problems which can affect the viability of the enterprise. The sequence of a survey here should be in two major stages:

1. **The Present:**

   — what are the immediate tasks that must be done to reach targets?
   — how competent is each person now in doing the work for which he is employed?
   — what training is needed to remedy the deficiencies thus revealed?
   — how can this best be done if targets are to be achieved?

   • and at this point training objectives, budgets and timetables can be determined, training be initiated on or off the job, and responsibility be allocated.
   (In parenthesis here — consider the desirability of certificating or rating people on their proficiency to operate certain types of machines or equipment or to do certain highly specialised tasks. Such rating would indicate an ability to meet prescribed performance standards.)

2. **The Future:**

   — what changes can be expected in the activities of the organisation? when ?
   — what additional or new knowledge and skill will be needed to meet these changes?
   — who must acquire this knowledge and skill?
   — how, when and where should training be given?
   — how will this training be evaluated?

A third approach which must be provided for is the identification of individual training needs which should be revealed during regular staff appraisal discussions, leading to specific planning to meet these needs.

A form of Training Checklist can be most valuable here. For instance,

Name: Position:

| Key Task | **Performance rating** — weekly, monthly, quarterly, etc. | Training needed | Training planned | Date completed and new rating |
|---|---|---|---|---|
| | 1st period ☐☐☐☐☐☐<br>2nd period ☐☐☐☐☐☐<br>3rd period ☐☐☐☐☐☐<br>4th period ☐☐☐☐☐☐ | | | |
| | | | | |
| | | | | |

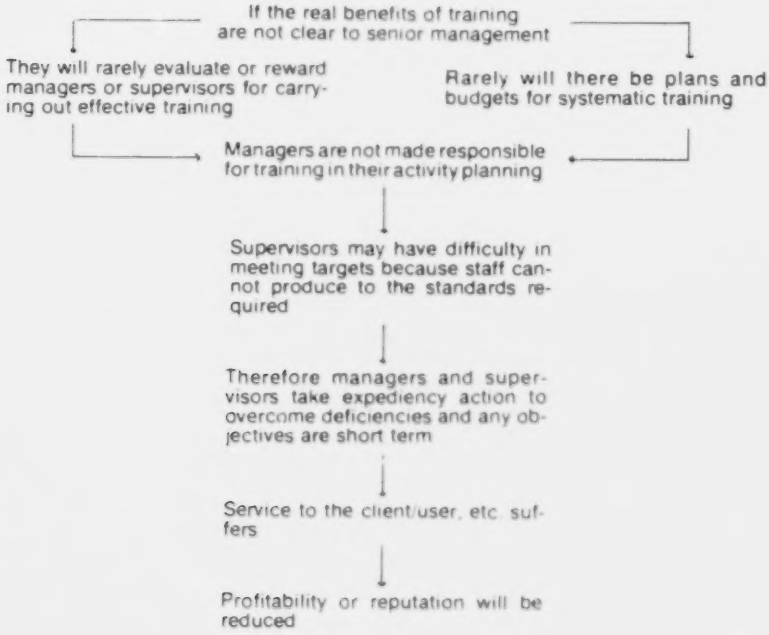
— with the criterion for top rating being "could he do this task competently if his continued employment were dependent upon it?"

Related to all of these is a continuing need to prepare people for supervisory, management and senior management responsibilities. Those charged with nominating people for such training should ensure that

— these people are properly briefed before commencing training
— the training is entirely suitable for the specific needs of the participants, and that it is competently led
— each participant is encouraged to return with some specific plans related to his own activities and performance
  — or, from each session to be expected to record a minimum of three points particularly relevant to his position
— there is a planned post-training evaluation session with each participant to ensure that what was gained is being or will be put into practice.

One should be wary of the training specialist whose approach infers "I have a solution — do you have a problem?"

Effective training must be backed by a positive commitment by senior management otherwise it will become an ad hoc exercise unrelated to operational planning.


If the real benefits of training are not clear to senior management
They will rarely evaluate or reward managers or supervisors for carrying out effective training
Rarely will there be plans and budgets for systematic training
Managers are not made responsible for training in their activity planning
Supervisors may have difficulty in meeting targets because staff cannot produce to the standards required
Therefore managers and supervisors take expediency action to overcome deficiencies and any objectives are short term
Service to the client/user, etc. suffers
Profitability or reputation will be reduced

Similarly, those being trained will need to see for themselves that they will derive benefit from their involvement, either immediately or within the foreseeable future. There is a principle of education which suggests "you can't teach a person anything — you can only make him want to learn." Accepting this, it is essential that training objectives be seen to be geared to organisational needs and that new knowledge or new skill will be properly utilised.

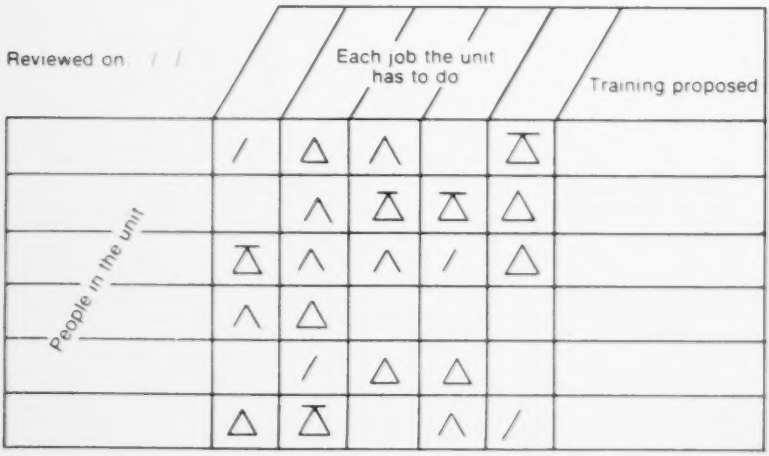
Each organisation should have a training policy, appropriate to its needs, which is known to all staff, and for which authority and responsibility has been assigned for its implementation and continuing review. To illustrate — it might be stated that "The training policy of this organisation will be:

- to carry out the induction and training of new entrants, and those appointed to new positions by promotion or transfer, to promote a sense of identity with the enterprise and full job efficiency as quickly and effectively as possible
- to ensure that all staff are competent in the basic work skills and knowledge of their individual assigned responsibilities — by training and by retraining
- to keep all staff up-to-date with technical and specialised developments concerning their own areas of work and areas associated with it for both current and projected activities
- to provide opportunity for employees to seek and obtain vocational enrichment
- to train those promoted to supervisory posts in
  - — techniques of work organisation and control
  - — methods of teaching work skills and related background knowledge
  - — human relations — the insights and skills required to build and maintain a work team
  - — providing the elements of risk-free working
- to develop people towards positions of executive or higher technical responsibility."

Most people will need to be re-trained several times during their working lives. Research has shown that even older workers can be effectively re-trained for new skills provided the right teaching methods are used. Changing technologies and new policies which require new directions make it essential today that planned re-training be developed and maintained for all staff and that this be a recognised and assigned responsibility.

It should be stressed that those in charge of people at work are responsible for ensuring that they are properly trained. Most skill training is given on the job. A training officer or outside training supplier is there only to assist the manager or supervisor, and no programme should be accepted unless it meets a specific current or projected on-job need. This means that both the problem and its solution must be real to the participant. If, for instance, the problem is high costs he needs to see clearly how this affects his work, what it actually means, and how he can materially assist in reducing relevant costs.

Many training programmes imply that supervisors give skill training to workers and so seek to teach them how to do this, but in the reality much of the training of new workers is done by skilled operators in the group, few of whom have been taught how to teach. Skill in know-how does not confer ability in show-how. Managers should be aware of this and should ensure that training in instructional techniques is given to all who need this skill. The use of **Staff Capability Charts** here is recommended. Updated periodically, these should show at any time the ability of each person to do each job within the unit.




Where / indicates under training on this job
△ indicates partially trained
△ indicates fully trained
△ indicates competent to teach others

In addition, maximum use should be made of work sheets (job breakdowns) — which set out in a logical sequential pattern the standard practice steps in routine tasks. These can be attached to individual job descriptions or be available on site where the job is done.

Specialist groups need special training, particularly where their work carries a discretionary responsibility. Programmes to give this training should provide optimum use of simulations, experiential exercises, and situations designed to give skill and knowledge directly geared to job requirements.

Perhaps the major weakness in training is inadequate follow up and evaluation to ensure that what was taught has not only been learned but that it has been put into practice. This needs continuing attention for it provides the justification for the training budget.

People who are properly trained will work well and will take pride in what they do — and this is a basic product of effective management.

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**Staff Appraisal**

If money is to be spent in recruiting people, paying them salaries or wages, training them, and generally investing considerable sums in their employment, the manager has a duty to gain a sufficient return on this investment to justify its continuation.

The contribution of each individual should be assessed through a form of regular staff appraisal, and the individual because of his basic need "tell me how I am getting on" should welcome this — provided that its purpose and its presentation is properly structured and is constructive.

Yet staff appraisal is seldom done well. There is a reluctance to commit honest reporting to paper, and the approach is often authoritative and manipulative, producing discomfort, and a measure of resentment. The objective is frequently blurred. Appraisal should not generate stress situations. More emphasis should be given to the "praise" in appraisal.

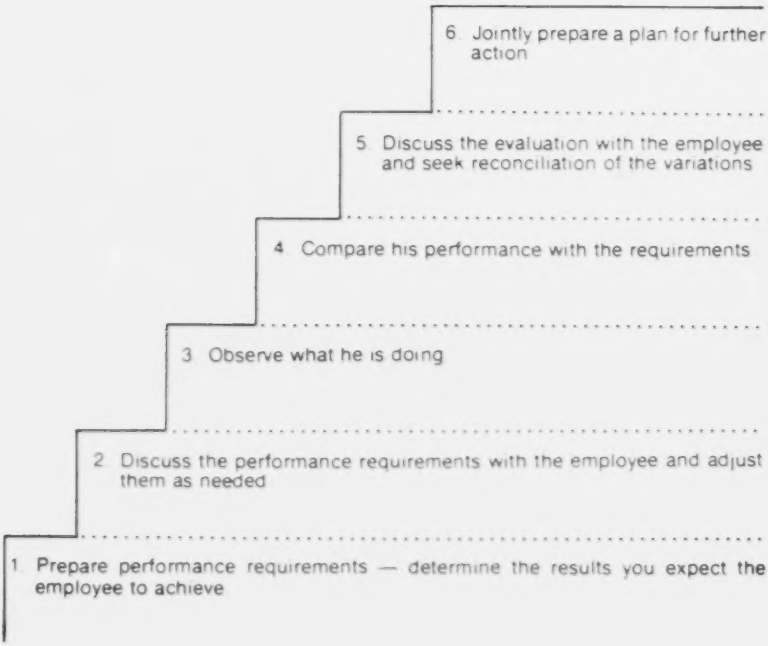
Common objectives are

- to assess performance as a basis for salary or promotional determination
- to provide an organisational stocktaking of people, skills and potential — to be compared with known needs
- to provide the individual with feedback on his performance and personal strengths and weaknesses
- to guide the individual to plan job and personal objectives and to agree on how these might be achieved.

All are desirable — but no one system can hope to accomplish all four. For instance, no one will disclose or admit to weaknesses if it is thought that this could inhibit opportunities for advancement.

So, one clear objective for appraisal should be defined and a system then be designed which will produce it.

One such approach might be:


6. Jointly prepare a plan for further action
5. Discuss the evaluation with the employee and seek reconciliation of the variations
4. Compare his performance with the requirements
3. Observe what he is doing
2. Discuss the performance requirements with the employee and adjust them as needed
1. Prepare performance requirements — determine the results you expect the employee to achieve

Pre-requisites for the introduction of an appraisal system must include

- a clear statement of its objectives, its methodology, and how it will be used by the organisation and the individual
- the setting of standards to be applied throughout the organisation
- the training of people in how to appraise and how to counsel
  (counselling is a process by which one human being tries to help another. It has no emotional component. One is the helping person: the other receives help but is mainly helped to help himself. It should be neither threatening nor manipulative).

Recent work in appraisals suggests that

- criticism only improves performance when
  - it is given with a genuine concern to help the other person
  - it is related to specific instances
  - the subordinate trusts and respects the superior

- improved performance results when
  - goal-setting, not criticism, is used
  - goals are specific, jointly set, and reasonable
  - the manager is regarded as helpful, facilitating, receptive to ideas and able to plan

Some organisations are now introducing a form of self-appraisal enabling the employee to assess his own position under headings such as:

goals
present position
leadership ability
work habits
accomplishments and failures
attitudes and behaviour

but in most cases the effectiveness of this approach has yet to be validated.

The manager must be assured that:

- — the appraisal system has a clear objective
- — this objective is being accomplished and is properly recorded
- — the system and the resultant counselling lets people know where they stand and where their future lies
- — it produces co-operation and hope, not stress and anxiety.

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**Staff Development**

(a) **Delegation**

In most situations the task of the manager is to analyse it, organise resources to meet it, deputise people to handle it and then to supervise. Delegation is a regular process of management. It requires the entrustment of responsibility and authority for a specific purpose and the creation of an obligation to report back.

Today in many organisations managers are frequently running out of time, yet their subordinates may sometimes feel that they are running out of work. In part this may be due to a reluctance to delegate, a fear that in so doing one loses control.

Yet the manager is dependent upon getting work done through others — and in climbing the promotional ladder you have to let go of a lower rung to grasp the one above.

**What should you delegate?**

- — consider: once a routine has been established the job can be delegated
- — consider: action should be delegated to the lowest level at which all the facts are known
- — consider your own activities under the following headings: Jobs which have to be done/ Must I personally do this?/ Why?/ Who else could do it now?/ Who could be trained to do it?/ So — what do I do?/ Decision and date

**Who should you delegate to?**

Do you really know the ability and the potential of each person who works for you? Each should be tested constantly in a variety of situations so that you and he may identify talents which previously may have been dormant or undeveloped.

We tend seriously to underestimate the capacity of young people, and also of those over 45 to be retrained to meet new situations.

To stimulate initiative, when people come to you with a problem ask them for their recommendation for dealing with it.

**When you delegate**

- — establish clear objectives
- — set target dates
- — define areas of responsibility and of authority
- — provide communication channels
- — give training, if necessary
- — require completed work
- — establish adequate controls
  - — but decide whether these should be on methods or just on results. The distinction can be significant.

Be aware of reverse delegation. If an employee brings you a problem and you say "leave it with me" or "let me think about it" he has off-loaded it to you and his follow up with you subsequently is in effect a form of supervision over you. He may need your help but the responsibility for resolving the problem should usually stay with him.

(b) **Developing Leaders**

Leadership is the ability to persuade others to seek certain goals and the technique of taking them there.

There are three components:

- setting a target and achieving it
- maintaining the thrust and enthusiasm of the group
- meeting the needs of the individual members of the group so that each accepts and desires the objective.

But, a person is a leader only to the extent that:

- — he has a following, and
- — this following is voluntary, and
- — he is able to demonstrate to people the best method of getting what they want, and
- — he is the best person in the use of that method, and

if any of these is missing or is removed he will no longer lead.

The nature of leadership is dependent upon the situation in which it must operate, and this will affect any definition of desired leadership characteristics. Among the common elements would be task-mindedness, a sense of timing and a capacity to enthuse others. Unless the leader consistently demonstrates qualities to which people will respond because they want to he will fail.

People who are being appointed to positions with responsibility for others are expected to act as competent leaders, usually without receiving any training whatsoever in how to lead. Management tends to overlook the fact that first line supervisory staff have it within their power to influence significantly the output of their work group and that their leadership is of prime importance.

Either within larger organisations, or in regional areas if this is more appropriate, employers should arrange or support leadership training programmes designed to meet the needs of those being considered for in charge positions — and in fact if the opportunity were given for others to attend this might be an effective way of identifying and developing this talent.

(c) **The Development of Supervisors**

The supervisor is a pivot person in any organisation. His effectiveness can determine the success or the failure of the enterprise. Therefore his training and development merits special attention — which it seldom receives. In many cases the best he can expect is a one-week course, which may merely skim the surface of his needs. In theory he is a member of the "management team" — his own interpretation of this statement will demonstrate the reality.

Yet he must be a planner, director, instructor, co-ordinator, controller of quantity, quality, cost and time, motivator, leader, disciplinarian, safety officer, negotiator, communicator, link with other groups, agent of change, and so on. And he must be competent in each.

Today, in the larger organisations there is an increasing number of staff specialists — management services people, safety managers, training officers, systems analysts, research and development people, technical advisors, etc. — each of whom seeks to establish and to maintain an identity and an influence, and their work may tend to diminish or to blur the authority of the supervisor.

Inadequacies of the supervisor in handling grievances or in dealing with union representatives can be and often are the trigger points in industrial disputes. This is probably a prime training need*.

Managers must give their supervisors status and support, and must underpin this with appropriate training and regular consultation which should commence from the first day of their appointment. Mututal trust and confidence are critical here.

(d) **Education and Career Paths**

It is becoming accepted that employers have an obligation to develop Career Path Plans within their organisation, or for their industry or discipline, which will identify entry points according to qualification, show lines of advancement available for each, and indicate the work experience or qualifications necessary for further advancement. These would thus provide a series of stepping stones for staff development, but how far along these one progresses would be a matter for decision by the individual worker.

Where educational qualifications are a pre-requisite for promotion beyond a certain point — or would be a distinct advantage — this should be made known to all staff below this level, and information should be readily available showing how such qualifications might be acquired and what if any assistance is available, and from where.

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Manpower planning and development is not an activity separate from the operational functions of the organisation — it is directly associated with them and neither can proceed without the other.

From the manager's viewpoint manpower planning and development is the intelligent and effective use of people employed so that objectives may continue to be achieved. For the individual worker it will be reflected in:

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*Recommended Reading — No. 4 in this series (see Page 99).

- the organisation chart: "show me my place on the team"
- job description: "tell me what you expect of me"
- appraisal: "tell me how I am getting on and reward me for good performance"
- effective communication: "recognise my mind as well as my hands"
- manpower planning: "tell me where can I go from here."

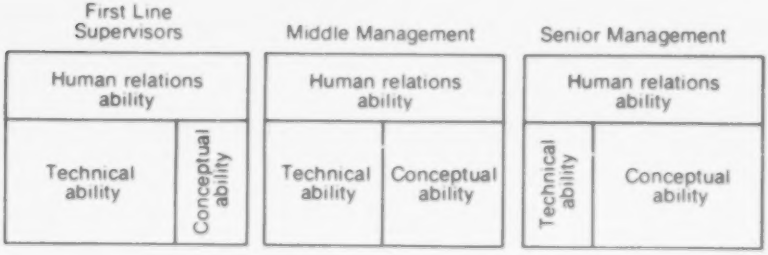
After a certain level higher salary does not of itself generate higher productivity. Leadership loses its thrust unless there are worthwhile goals which will need initiative and effort to achieve. Followership depends upon this.

# Working with people

In any organisation the greatest investment lies in the people employed, and productivity is dependent upon the return on this.

The present trend in industry and in business is towards an acceleration of automating processes, a greater dependence upon technology, more capital and less labour intensive operations, and a de-skilling of many traditionally skilled tasks — all contributing to a realisation that in the near future work may not be so readily available for all who seek it. Yet the manager must still rely upon the activities of people under him, and he will need considerable skill in dealing with the many facets of their performance and the factors which influence it.

This should apply at each level of management:




**Abilities Required in Management**

This human relations ability is a key component of leadership. In this setting it means that the task of leading is not only to plan and control but also to

- co-ordinate and balance the many activities going on
- build and maintain harmonious relationships
- provide the ingredients for good morale
- ensure that good communication is maintained.

But the manager has a wider responsibility — not only to establish and maintain a good relationship with his staff, but also to have the understanding and the perception to recognise, accept and work within the human relations environment of other groups in the organisation and with those directly associated with it.

It follows that the manager should understand the elements of good motivation, how to provide the incentives which encourage action. The response of the individual normally follows a logical pattern:

ATTENTION → INTEREST → DESIRE → ACTION

but this must be initiated by an appropriate trigger.

In basic terms — no-one works for an organisation or for any manager. Each person works for himself.

It is important here to distinguish between the factors which attract a worker to seek employment in an organisation and which keep him working there, and those factors which stimulate him to make special efforts to help achieve the objectives for which the organisation was established.

The reasons why people work for you will vary significantly, but they will probably include

Economic reasons:
- wage or salary scales offered
- staff benefits or privileges
- security of employment

Physical reasons:
- location or layout of work place
- smoothness of work flow

Social reasons:
- personal relationships with work group
- recognition of personal needs

Status reasons:
- job classifications
- promotional opportunities
- prestige of the organisation in the community.

Yet none of these will really promote increased productivity. This may be bought by devices such as production bonuses, provided that these are subject to adequate control checks, but the worker has little sense of commitment to or involvement in the reasons for such incentives. The gap between worker and manager — the "them" and "us" — is still present and if targets are not achieved both will seek to apportion blame.

Productivity stems from co-operative action, and the stimuli which will produce extra and sustained effort come from the response to six basic needs of people at work:

- to be doing something worthwhile — an objective
- to be part of a harmonious work group — participation
- to gain the confidence and satisfaction which comes from work competence — achievement
- to receive adequate remuneration — security
- to count for something as an individual — recognition
- to know what is happening and what is going to happen — communication.

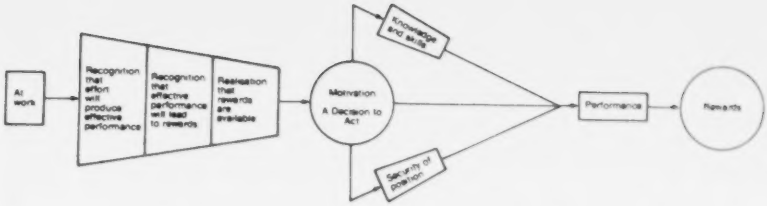
The withholding or absence of any of these will create frustration and lessen any sense of personal involvement in or commitment to the activity — and this will be reflected in diminished performance and lowered morale. Morale is the total set of attitudes towards the job, management and the organisation. It originates in the job environment and is a reaction to it.

It is surprising that many managers still do not recognise the significance of this.

Perhaps the most important question which will indicate attitudes is "Do you believe in the value of what you are doing?" And to this might be added:

"What do you think is important about your job?"
"What changes would make your job more effective?"

There are many theories of motivation, and these rise and fall in credibility. A common core in most is the expectation of the worker, and provided that he feels his own position is not threatened the pattern of his action may be expressed as:




Rewards here are expressed in the six factors listed above — monetary recompense by itself will not suffice, for this may keep people working for you but not necessarily stimulate them to work well.

But another significant trigger lies in the hands of first line supervisors. What would happen if you were to ask them, "What did you do last week to enthuse the people who work for you? What take-home talk did you generate?" However, do not be surprised if the supervisors themselves bounce this back to their managers.

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One practical approach to this concept of involvement is by the development of Productivity Improvement Teams with groups of workers. A strategy which has gained much support is

- — the manager and a group of supervisors discuss specific problems and set provisional targets for productivity improvement
- — each supervisor discusses the problems with his workers and together they agree on objectives, performance standards and an operating plan
- — achievements are recorded
- — there is continuing feedback and discussions with the team members, targets are reviewed and updated.

This can be used in a wide range of situations, including sales and administration.

**Managing Change**

Management is concerned with the future — with what will and what may happen. Change will occur. Staff now being appointed, equipment now being purchased and re-organisation now being planned will probably have to operate in circumstances quite different from those of today. Therefore the manager must be alert to the symptoms of change from any source — technological, economic, political — which may exert an influence on his activities.

Managers must be agents of change. They have to overcome their own conservatism, and not only introduce change at the work place, not only get people to accept it, but so to manage the situation that people want the change.

Change is inevitable — so is the usual reaction to it.

In a stable situation people feel secure and comfortable. Change may bring dislocation, instability, anxiety and the shock of disaffiliation from established roles.

People resist:

- surprises
- being treated as inanimate objects
- uncertainty
- external control
- changes in accepted authority relationships

and their reaction to the stress situations thus created may take predictable or unpredictable forms.

The desired sequence of change should be:

AWARENESS → INTEREST → EVALUATION → TRIAL → ADOPTION

and people should be told well in advance of pending changes which are likely to affect them, so that they have time to discuss and to adjust.

But frequently in the pressure of today's situations this sequence becomes

AWARENESS → DECIDE RESPONSE → TAKE ACTION

and it is most difficult to set up the consultation which yet is so important.

Handling change is a very real test of managerial ability. The initial reaction of each individual will be "what's in it for me?" — the WIIFM factor — and the response to this must be satisfactory to him if his co-operation is sought or required.

The manager must recognise the current beliefs and practices of people, and how change may affect them and in introducing change he must have regard also for existing social structures in the organisation.

Any decision to make a change should be based on real and compelling reasons genuinely directed toward improved organisational performance. The advantages should outweigh considerably any disadvantages. There might be value in identifying each and in matching them:

**The Impact of Change**

| For: | | Against: |
|---|---|---|
| Technological change | → | ← Traditional practices |
| Political pressures | → | ← Organisational politics |
| Social pressures | → | ← Attitudes of employees |
| Economic benefits | → | ← Costs of change |

Timing is a critical element of change. It takes time to develop new skills, depart from established practices and relationships, adapt to new methods or patterns of work, or to re-orient to quite new situations. A pilot project, or planned lead time with pauses for discussion and assessment, may significantly help here. And timing the moment to make change is a vital factor in its successful implementation.

It is important, too, to ensure that in making changes to improve one set of circumstances, problems are not being created elsewhere. Full consultation may prevent this, and two-way communication must be freed from blockage or distortion. Good and continuing communication is vital in any change situation.

A Check List:

What is the change?
Why is it happening? When?
What will be the effects?
Who will it concern?
What may or will it do to them?
Is there sufficient lead time for them to be consulted?
What is the best way of doing this?
What other alternatives are there?
Can we run some trials?
How else could we underwrite its acceptance?

**Industrial Relations**

(One wonders why distinctions are made between "human" and "industrial" relations? Perhaps by denying humanity to the latter we are seeking to stress the legal adversary aspects of the union/manager stances, the them and us. Yet the unifying concern of both must be the welfare of and the relationships between people at work.)

When a person takes up a position he knows in general terms what he will be doing and what he will be paid. Beyond that there are many things he takes on trust. But his rights are protected and his working conditions are defined by an employment contract or an appropriate Award or Agreement. It follows that aspects of this may from time to time need definition or clarification, therefore the first line supervisor, or his immediate manager should be competent to deal with all basic enquiries which may arise. He will need to be trained to do this.

If this does not happen the worker has two alternatives — he can consult his Union representative (with whom he is probably on first name terms or who at least he knows reasonably well) or he is referred to "management", with whom he can associate neither a name nor a person. And the management-worker gap widens.

It seems inevitable that industrial relations and conflict be associated. There is economic conflict, because wages represent income to workers and a cost to management. There is power conflict, because unions and management compete for the loyalty of workers. There can be ideological conflict, because unions support socialism and employers support a private enterprise society. There can be legal conflict, because industrial legislation usually operates through the creation and resolution of disputes.

These situations require the manager to be adept in creative problem solving and in compromise. Yet paradoxically few managers are owners of their organisations. They are workers, too. And the differences which force them into traditional stances are ones imposed only by hierarchical needs. They and their workers are people at work, with similar needs. In this regard there are certain guidelines for the manager. For instance:

- there must be clear job definitions
  — how else will the worker know what is expected of him?
- he must understand clearly the requirements of each job he controls
- there should be regular performance appraisals
  — shared discussion, properly recorded
- he must be competent in handling people problem situations, quickly and effectively. These will include complaints, grievances and discipline.
- there should be continuing consideration of the implications of and the need for worker participation.

**Complaints and grievances**

A grievance is anything about a person's job which irritates him or which tends to make his working conditions unsatisfactory. Frustruation arises when your cope runneth over.

Research suggests that some 90% of grievances arise from misunderstandings relating to basic conditions of work

— which prompts the thought that if the conditions of work were spelt out in a simple take-home leaflet some of these misunderstandings might be reduced.

Where there is a grievance the action required is:

- diagnosis — perhaps a lack of understanding
  a breakdown in communication
  a weakness in control
- adjustment — to remedy the situation
- prevention — action to ensure that it does not re-occur.

In some organisations set provisions for dealing with grievances are defined in the appropriate award or agreement. Where this is not the case it may be desirable for basic guidelines to be established and made known so that the roles of the first line supervisor and of the union representative are clear and that the rights of the worker are not blurred.

One such set of guidelines reads:

— the worker should first submit his grievance to his immediate supervisor, without delay
— if the grievance is not settled at that point the worker may then notify the Union who may raise the matter with the employer
— if not then resolved the matter is to be referred to an appropriate Grievance Committee representing both the employer and the union
— if this fails the case may then go to arbitration.

A person will become difficult or resentful when he thinks, rightly or wrongly, that

- he is inferior to others in skill, opportunities, pay, status, etc.
- he is being passed over
- the boss is playing favourites
- he is uninformed
- his effort is not recognised.

But the grievance which surfaces may not be the real cause of his troubles — this might be an off-job factor.

Therefore, diagnosis must be handled with care and discernment, encouraging the person to talk and listening non-critically so that the real facts may emerge. The aim is to cast light, not heat on the situation.

Action must be taken promptly before the problem escalates, and it must have regard both for precedent and for the special circumstances usually present in every situation.

Care should be taken to prevent grievances arising. For instance, where you work:

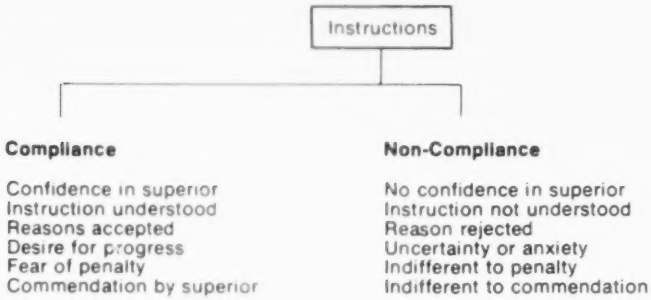
- — can any rule or regulation be interpreted to imply that people cannot be trusted?
- — does any rule or regulation annoy many in order to control a few?
- — does any rule or regulation carry a threat which would be difficult or embarrassing to enforce?
- — is there any rule or regulation which is not absolutely necessary?
- — does each employee know why each rule or regulation has been introduced?
- — are all sections, branches or departments subject to the same conditions?
- — are any rules or regulations considered to be unfair?

**Discipline**

The objective of discipline at the work place is to take the action necessary to obtain orderly conduct among employees so that each will act in accordance with established policies, rules and regulations which experience has shown to be desirable. Advance warning must be given.

If you do not stop or correct a situation you tacitly approve its continuance.

One of the sources of disciplinary problems is non-compliance with instructions. If this is happening a wise manager will look for possible causes:




— which means that all who are required to give instructions should know how to do this properly.

If the environment is right the work group will exercise self-discipline and have standards of behaviour to which its members will conform. But there will be occasions when disciplinary action is needed. In such cases the discipline should be concerned with the act rather than with the person.

Here the manager, or the supervisor, should with promptness, impartiality, consistency and fairness

- get all the facts, and check them
- seek to identify the real reason why the incident occurred
- ensure that the rule was properly understood
- check for precedents
- follow the established policy
  - this may vary according to local circumstances, but one pattern is:

    First offence: spoken reprimand
    Second offence: written reprimand and advance warning of penalty, with copy to union representative
    Third offence: suspension or dismissal.

Breaches of discipline must be properly recorded. But similarly should there not be an obligation to record situations in which a commendation has been earned? Personnel records should show both.

Rules and instructions which include penalty clauses should be reviewed regularly to ensure that each is still necessary and that it is relevant as written. And these rules must be readily accessible to all employees at all times, in clear and simple language.

**Worker Participation**

This is a widely used term today, but there is no simple definition, for it means different things to different organisations. The two extremes might range from the autocratic "I decide, you participate by doing it," to worker representation on the Board and full profit sharing, but there are many intermediate phases. Basic objectives need to be resolved. Management may see it as a ploy to reduce conflict, unions may see it as a key step towards transfer of power. It will take a little time to get agreement on common ground, but meanwhile several features are emerging.

All the elements of staff development, wider and more effective use of the communication and consultation media, delegating decision-making to the lowest level at which all the facts are known, consultation regarding proposed changes, the intelligent use of a good Suggestions Scheme — these are some of the components of worker participation.

The basic concept is that of a unified work force established to meet certain objectives, recognising that people at all levels have a capacity to contribute to the common good and a desire to share in its advantages and that they should be encouraged to do so. But it would be naive not to be aware that many workers seek their satisfactions in situations quite removed from the work place and regard their employment solely as a means of providing the finance necessary to obtain this gratification.

Worker participation is a developing process, dependent upon goodwill and sincerity of purpose. Its form will vary according to the social, political and financial environments in the organisation — but it should be encouraged to grow from within rather than to be imposed by a legal process. One of the preliminary steps should be to seek to make significant improvements in the communication process and in decision sharing. Management has various devices for communicating with the workers, but in practice how can the workers communicate with management?

---

**Decision Making and Problem Solving**

Managers are paid to make decisions.

There is a logic in the optimal decision making process which offers a sound guideline:

1. Define the problem
   - — what is the real problem here: what caused it?
   - — what is the critical factor?
   - — is it a new problem? will it occur again?
   - — why does it have to be solved?
   - — who has to solve it?
   - — when does it have to be solved?
   - — what will solving it cost?

2. Think it through
   - — what are the facts?
     - — but to these add assumptions, for there are no riskless decisions
   - — what should be happening?
   - — what actually is happening?
     - — analyse the deviation (a problem is a deviation)
   - — what is likely to happen when it is solved?
   - — who and what will be affected?
     - — people? cost? morale? after-effects?
   - — what are the limiting factors?

3. Consider the alternatives:
   - — what are all the possible alternatives?
   - — what are the likely end results of each of these?
   - — select which appears to be the best
     (a decision is only as good as the best alternative considered)

4. Take action
   - — how and when will you do this?
   - — can targets and target dates be set?
   - — who must be informed? when? how?

5. Follow up
   - — how soon? how often?
   - — what really happened? now what?

Under other circumstances, such as budgeting, incremental decision making may be more appropriate — what was done last time will be the basis for deciding what to do next.

But there are two separate factors here — the manager's control over the decision, and the influence of the worker group on that decision, and on the way in which it is implemented. This latter can be most significant. The manager has to decide the most appropriate action in each situation:

- — does it require his personal decision?
- — can it be discussed before it is implemented?
- — can suggestions or recommendations be sought?
- — would a decision by the group be appropriate?

And he has to demonstrate his ability to make clear decisions appropriate to the needs of the situation, and to stick with them.

Sharing of decision making can also be an effective way of reducing expected opposition to change.

Ideally, a decision should be taken at the lowest effective level. Test this where you work. How many levels of authority must he go through if a supervisor —

(a) wishes to purchase an item of equipment costing £27?

(b) needs to engage a temporary worker for a three day job?

It may be interesting to chart it.

Problems are most likely to occur in four areas:

Quality

Equipment

People

Procedures

And the causes are probably:

- lack of skills and/or knowledge, or
- a practical impediment, or
- lack of proper motivation

**Safety at Work**

The manager must have a conscious and a constant concern to promote safety in every situation at the work place. He must take steps to ensure that:

- people are trained to detect hazards — whether they be unsafe acts or unsafe conditions — and to take the necessary corrective actions
- all necessary precautions are taken to prevent accidents — whether by the promulgation and enforcement of regulations or by the provision of protective equipment
- a safety attitude is generated and is maintained by his own involvement in it.

This will require the creation of an awareness in all staff, and especially in supervisors, that safety is a continuing factor in all activities, and that responsibility for vigilance is a shared one, not to be left solely to any specialist function.

Should an accident, or a near-accident occur, management has an obligation, which should not be delegated, to find out:

— what caused it
— could it happen again
— what preventive action should be taken

and then to follow up.

Safety publicity should stress economic, social and physical costs, appealing more to reason than to emotion.

Safety requires continuing action, and a range of attention-getting ploys will be necessary to maintain interest. Regular inspections of all areas at the work place, perhaps by representatives of peer groups, is one medium. A minor yet significant point, frequently overlooked, is that on each first aid box an updated notice should show the names and the locations of each person qualified to give first aid.

A fairly recent innovation is the concept of total loss control. One approach to this involves the establishment of a separate cost centre for which responsibility is assigned and to which are debited not only the direct costs of accidents to individuals but also costs of everything else affected by the incident, such as:

- production delays and stoppages
- accident investigations
- hiring and training replacement workers plus the costs of extra supervision
- damage to equipment, plant, vehicles, buildings, tools or materials
- damage to finished products or to work in progress.

By thus accumulating and spotlighting these costs, attention is focussed on them and corrective action receives a more positive and continuing thrust.

# Communicating isn't easy

Your effectiveness as a manager is to a degree dependent upon your ability to communicate — not only with the people who work for you, but also with all of those who are directly or indirectly concerned with the work you do.

In a management context, communication is the medium for motivating, marketing, directing, co-ordinating, the sharing of knowledge and the imparting of skills. It is the fabric of the bridge of understanding between management and workers. It is the life-blood of team work. And it is the substance of your control.

An essential part of your job is the evaluation and processing of information, promptly and decisively:

— this may relate to

- sales or production figures
- planning strategies
- services to clients
- the marketing situation
- when the next peak demand on your services or resources will be made and how it will be met
- the impact of change in
  - technology
  - the competitive situation
  - political events
  - social events
  - economic fluctuations
- consultation with industrial unions
- matters of concern in financial information —
  e.g. budgetary control
  - cash flow forecasts
  - costing fluctuations
  - rate of gross profit
  - creditors
  - overdraft
- staffing and personnel matters or working conditions

. . . and so on.

These things are vitally important, both to you and to the people who work with you. So, communicate with them.

Do you make them aware of the problems that beset you? It can be argued that while they work for you they are staking their jobs on the success of the organisation, and that this in itself gives them a continuing right to know what is going on.

Furthermore, because they are directly and constantly in touch with the day to day activities they are probably in a better position than you are to know how to really cut costs, or to improve methods, or to increase productivity — if they are made aware of the need to do so in their own job interests.

But if they don't know, they couldn't care less.

Each worker has a real interest in job-related information for to him if affects "my job, my department, my development and promotion opportunities, the results of my work, and how well I am doing". And to the worker these things are very personal.

Uncertainty causes bloody-mindedness.

Clarity will create certainty and confidence.

Imagine what might be achieved if management were to put into communicating with staff only a portion of the cost, time and effort being spent in communicating with consumers or with clients (even though this is sometimes not done very well).

---

Communication means transfer of meaning and this is shown in the sequence of attention, understanding, acceptance and results — but because people differ so much by reason of age, sex, education, experience, culture and expectation, this is not always easy. People usually try to understand — but on occasion if they feel frustrated they don't try to understand and they will look for other possible interpretations. This will lead to difficulty and perhaps to confrontation or to confict. Which suggests that the next time something goes wrong in the organisation you should look first for a breakdown in communication.

| SOME MAJOR PROBLEM AREAS | ACTION NEEDED |
|---|---|
| • Inability or unwillingness of people to express themselves adequately | Change attitudes and provide training |
| • Defects in the flow of essential information | Define and clear the communication process |
| • Conflict in the minds of individuals between the needs of the organisation and their own needs | Improve managerial and supervisory communication skills — and improve job descriptions |

Communication is not the message originating with the communicator — it is what the recipient understands. This means that if you are misunderstood or if your message is misinterpreted, you have not communicated. The fault is yours not theirs. When you communicate you must regard yourself as wholly responsible for the outcome. Feedback is an essential component.

Communication must be fast, two-way, and accurate.

Research has shown that most workers prefer spoken messages, because these give the opportunity for discussion and for clarification:

— therefore, talk with them if at all possible
— don't write to them.

---

The **objective** of effective communication — both upwards and downwards — must be:

- to get the right information at the right time to the person who needs it
- to get messages accepted, understood and acted upon.

But the **barriers** which can block the communication flow are many:

For instance

— people often conceal or distort their real feelings, problems, beliefs and opinions because they feel disclosure may be used to their disadvantage

— people seeking advancement are less likely to disclose their real difficulties or problems
— information is filtered to suit the assumed climate. The opinion that "they don't need to know that" has been the cause of much industrial disruption. In the reverse direction, it is a fallacy to believe that the person at the top really knows what is going on — he may know only what is filtered through to him.
— communication may be architecturally determined. How true is this where you work?
— status can impose its own communication barriers
— reaction to change will usually be a reflection of communication effectiveness
— the difference between the wide view of the organisation

and the narrow view of the individual who when confronted with the same facts asks only "what's in it for me?"

— bad timing of the action
— inability to recognise or to understand cultural differences between different ethnic groups
— an inability to listen

---

Regarding **LISTENING**, this should be at least half of the communication process yet most people do this very badly, perhaps at less than 25% efficiency.

Listening is an active process, not a passive one, and it requires:

- accepting the other person
- non-judging listening
- unthreatening listening

in such a way that the person is encouraged to continue talking, knowing that the other is really listening.

> LISTEN that you may gain wisdom for the future
> — Proverbs 19:20

If a worker has a grievance, who will really listen to him? Because that is who he will next turn to when he wants to talk about other things.

Listening can be taught, but it requires effort. A helpful check here might be:

- was I really interested in this person?
  — how would he have known that?
- what did I do to encourage him to talk?
- did I interrupt with my own ideas and opinions?
- did I voice criticism or judgement — and did this turn him off?
- did I shut off to what he was saying and focus on what my response was going to be when he stopped talking?
- what distractions occurred? what happened then?
- did the person clarify his ideas, see things in a new light, or otherwise derive satisfaction as a result of my listening to him?
- what are my main listening faults?

When a manager moves through the organisation, as he should do frequently, he does not need to arm himself with a "message for the workers" — indeed, much more would be gained if sincerely and genuinely he were to take time to listen to what they had to say to him about their jobs and how they see things where they work.

Many managers are becoming more concerned with the effectiveness of communication within the organisation, but external communication ability is equally a necessary skill. Consider, for example

- — do key staff have sufficient direct contact with clients, customers or appropriate people in the community?
- — how competent are they in public speaking, in meeting procedures and in chairmanship?
- — what is the public image of the organisation?
  — how do you know this?
- — how competent and how warm are your telephone, reception, counter and correspondence services? — how do you know this?



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If you are required to write reports leading to specific recommendations the chances of these being accepted or approved will be improved markedly if you include clear proposals showing how they might be implemented.

A check List:

Do I know precisely what I want to communicate?
What do I expect to happen when my message has been passed?
What other interpretations might be put on my message? Can I be misunderstood — and, if so, how can I prevent this?
Is my message complete, correct and appropriate to the situation under review?
What feedback will I get to test the effectiveness of the communication?
Am I really listening to the response I am getting? How do I know this?
What communication breakdowns have surfaced?
Why did they happen?
Can they happen again?
What can I do to improve my communication effectiveness?



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# Putting it all together

Management has also been defined as the additional factor by which resources equal achievement.

This Note Book has sought to identify and to define a range of skills and areas of knowledge in which the effective manager is expected to show competency. But this must be the product of training and development which hopefully has been planned. Some progressive organisations are efficient in this planning — in many the implementation falls sadly short of the requirements.

The manager seeking further advancement will be aware of the need for self-development quite independently of organisational action.

This will require —

- a clear pragmatic idea of his ultimate priorities and directions
- a regular stocktaking of his strengths and weaknesses in meeting current situations, and an evaluation of what he will need to meet projected situations
- an ability to use the events of the present as a learning experience for the future
- an assessment of his own role
  — within the structure of the organisation
  — within its systems and its interactions
- an ability to plan and to time his own moves so that his ability will be recognised and further developed.

The stepping stones for growth are identifiable — but each manager or would-be manager must decide for himself how far along them he will advance. Most of us set our own limitations.

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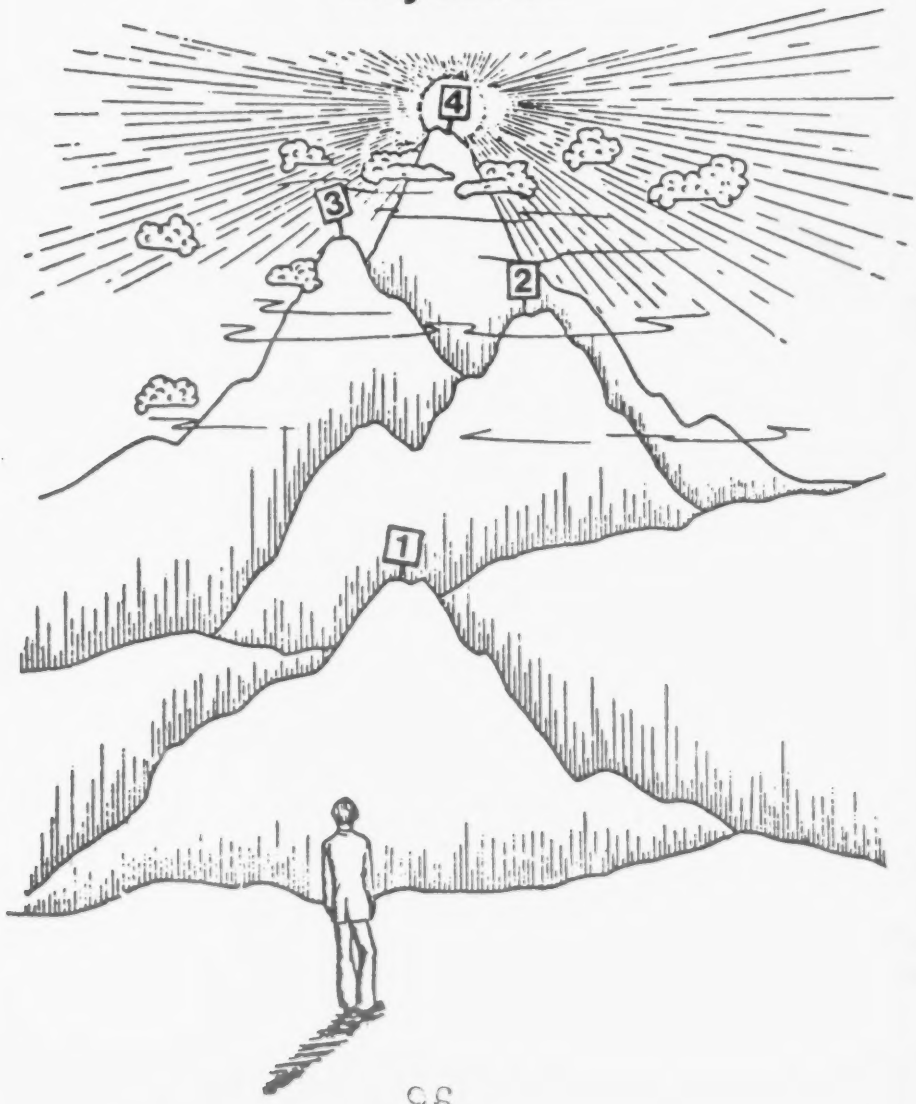




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